
**Living on the edge**
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Section III


# FINANCIAL TIMES

Europe's Business Newspaper — THURSDAY JANUARY 20 1994


## BA protests over $254m 'subsidy' for Air France

British Airways urged the European Commission to force state-owned flag carrier Air France to repay a FFr1.5bn ($254m) capital injection, saying it constituted a subsidy in contravention of the Treaty of Rome.

Air France rejected the British airline's claim and insisted the injection involved convertible bonds and other paper issued under normal market conditions. Page 14; Italian plans Gatwick airline, Page 8

**US drops China's favoured nation status:** US Treasury secretary Lloyd Bentsen said China had not made sufficient progress on human rights to warrant US renewal of its Most Favoured Nation trading status. Page 4

**Italy's electricity chief arrested:** Franco Viezzoli, head of Enel, Italy's electricity authority, was arrested on charges of fraud, abuse of office and manipulation of bids relating to a power station project in southern Calabria. Page 2

**Aspin extends stay at Pentagon**

Les Aspin, left, due to step down today as US secretary of defence, will stay on until the Clinton administration names a new successor, following Bobby Ray Inman's abrupt decision to withdraw as the nominee for the post. There has been no word on when a new candidate will be named. Possible choices include CIA chief James Woolsey and William Perry, deputy secretary of defence. Page 6

**UK rate cut hope:** Hopes of a cut in UK base rates from 5.5 per cent were revived by lower-than-expected UK retail sales and inflation in December. Page 14 and Lex

**Roche on the rise:** The Swiss drugs group is the big winner in this year's FT500 ranking of Europe's top companies measured by market capitalisation, rising to third place from sixth. Roche moves up, Page 15; FT500, separate section

**Deregulation drive:** The UK government announced sweeping measures aimed at abolishing or changing 450 items of regulation. Shop opening hours, children in pubs, and streamlining of the law on mergers are among the areas covered. Page 14; Editorial Comment, Page 13

**Algeria frees fundamentalists:** Algeria has ordered the immediate release of Moslem fundamentalists held in two prison camps as well as all under house arrest before a national conference on the country's political future.

**SA violence warning:** South African rightwing leader Constand Viljoen said that conflict was looming and Afrikaners might need a "bit of violence" to create a homeland.

**Japanese drugs output fall:** Japanese domestic pharmaceuticals production fell for the first time in seven years during 1992. Japan's Pharmaceutical Manufacturers' Association blamed government-imposed price cuts and distribution system reforms. Page 3

**Intel,** leading US semiconductor maker, reported net income of $2.3bn for 1993, more than double the 1992 figure. Page 26

**British MP praises Saddam:** A British opposition Labour party member of parliament, George Galloway, was disowned by his party leader John Smith after appearing on Iraqi television, praising President Saddam Hussein's "courage" and "power".

**HK Telecom chief dies:** The death of Michael Gale, 53, chief executive of Hongkong Telecom, shocked the colony's business community. Page 4

**McDonnell Douglas,** US defence and aerospace group, reported a fourth-quarter loss of $132m after taking a special $450m pre-tax charge for its C-17 aircraft programme. Page 15

**BankAmerica,** California-based banking group, missed out on the earnings advances at other big US banks towards the end of last year and reported fourth-quarter net income of $496m, compared with $473m in the last quarter of 1992. Page 18

**Chantilly out of the running:** Chantilly near Paris, the race track which hosts the French derby, will be closed down by next year at the latest, France's racing authorities decided. The venue no longer meets safety regulations.

■ **STOCK MARKET INDICES**

| | | |
|---|---|---|
| FT-SE 100: | 3,475.1 | (+38.1) |
| Yield | 3.39 | |
| FT-SE Eurotrack 100 | 1,488.83 | (+9.80) |
| FT-SE-A All-Share | 1,743.66 | (+1.6%) |
| Nikkei | 19,039.40 | (+524.85) |
| New York: lunchtime | | |
| Dow Jones Ind Ave | 3,868.04 | (-2.25) |
| S&P Composite | 472.70 | (-1.55) |

■ **US LUNCHTIME RATES**

| | |
|---|---|
| Federal Funds: | 3⅛% |
| 3-mo Treas Bills: Yld | 3.024% |
| Long Bond | 98½ |
| Yield | 6.268% |

■ **LONDON MONEY**

| | | |
|---|---|---|
| 3-mo Interbank | 5⅜% | (5⁷⁄₁₆%) |
| Liffe long gilt future: | Mar 120 | (Mar 119⅞) |

■ **NORTH SEA OIL (Argus)**

| | | |
|---|---|---|
| Brent 15-day (March) | $13.945 | (13.855) |

■ **Gold**

| | | |
|---|---|---|
| New York Comex (Feb) | $392.7 | (393.6) |
| London | $391.4 | (391.25) |

■ **STERLING**

| | | |
|---|---|---|
| New York lunchtime: | | |
| $ | 1.492 | |
| London: | | |
| $ | 1.4918 | (1.4972) |
| DM | 2.6016 | (2.618) |
| FFr | 8.8409 | (8.8819) |
| SFr | 2.1773 | (2.1962) |
| Y | 165.428 | (165.809) |
| £ Index | 82.3 | (82.9) |

■ **DOLLAR**

| | | |
|---|---|---|
| New York lunchtime: | | |
| DM | 1.7462 | |
| FFr | 5.935 | |
| SFr | 1.4615 | |
| Y | 110.945 | |
| London: | | |
| DM | 1.744 | (1.7487) |
| FFr | 5.9285 | (5.9325) |
| SFr | 1.4585 | (1.4669) |
| Y | 110.885 | (110.75) |
| $ Index | 67.3 | (67.4) |

Tokyo close Y 110.77

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Austria | Sch32 | Greece | Dr350 | Lux | LFr65 | Qatar | QR13.00 |
| Bahrain | Din1.250 | Hong Kong | HK$18 | Malta | Lm0.60 | S.Arabia | SR11 |
| Belgium | BFr65 | Hungary | Ft185 | Morocco | MDh15 | Singapore | S$4.30 |
| Bulgaria | Lv25.00 | Iceland | IKr215 | Neth | Fl 4.00 | Slovak Rp | KSL50 |
| Cyprus | C£1.10 | India | Rs60 | Nigeria | Naira50 | South Africa | R12.00 |
| Czech Rp | CZK30 | Israel | Shk6.99 | Norway | NKr17.00 | Spain | Pta225 |
| Denmark | DKr18 | Italy | L3000 | Oman | OR1.50 | Sweden | SKr16 |
| Egypt | E£5.00 | Japan | Y500 | Pakistan | Rs40 | Switz | SFr3.30 |
| Finland | FM14 | Jordan | JD1.50 | Philippines | Pso50 | Syria | S£50.00 |
| France | FFr9.00 | Kuwait | Fils625 | Poland | Zl 32,000 | Tunisia | Din1.500 |
| Germany | DM3.50 | Lebanon | US$1.50 | Portugal | Es225 | Turkey | L10000 |
| | | | | | | UAE | Dh12.00 |

# Hopes for compromise on Russia's government

## Signs of panic as population rushes to exchange roubles

By John Lloyd in Moscow

A compromise was in prospect last night in the search for a new Russian government, amid reports that Mr Boris Fyodorov might agree to stay on as finance minister in the face of a plunging rouble.

Reporting this, Interfax news agency also said Mr Alexander Shokhin, like Mr Fyodorov a deputy premier in the present government, had accepted the post of economics minister.

The indications were that Mr Oleg Soskovets would retain his title as first deputy prime minister in the new cabinet with overall responsibility for industrial policy and possibly also for the economy.

However, an independent radio station source quoted Mr Fyodorov as saying that he would not take any post unless his conditions were accepted.

These apparently conflicting reports confirmed indications that the process of forming a government was growing steadily more difficult, as President Boris Yeltsin fights to retain the radical Mr Fyodorov and a moderate reformer in the shape of Mr Shokhin at the levers of the country's economy. Mr Yeltsin has been negotiating over the last three days with Mr Viktor Chernomyrdin, the centrist prime minister.

Earlier yesterday, Interfax reported that Mr Chernomyrdin had refused to accept the conditions set by Mr Fyodorov for taking a cabinet post. These included a ministerial rank commensurate with the central position he accords to finance, and a commitment by the cabinet to a radical reform policy. In his latest set of demands, Mr Fyodorov dropped his insistence that Mr Viktor Gerashchenko be relieved of his post as chairman of the central bank.

The move is clearly designed to address the rapidly worsening financial position in the country where yesterday the rouble again lost more than Rbs100 to the dollar to stand at Rbs1,607, and signs of panic began to appear in the banking community and the population.


Rouble left without a prop ....Page 2
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Queues again formed to exchange roubles for dollars at exchange points in Moscow, some of which ran out of US currency. Banks fear that they may also lack sufficient hard currency.

It was not clear yesterday evening how far Mr Chernomyrdin had met Mr Fyodorov's demands for a tight financial policy and for freedom to run the state finances. However, his apparent willingness to serve in the government is an indication both of the still surviving commitment by the government and the president to at least the appearance of economic reform.

It also shows the split in the liberal ranks after the weekend resignation of Mr Yegor Gaidar, the chief reformist.

The breakthrough came as a rebuff to an offer earlier yesterday by Mr Grigory Yavlinsky, another prominent reformer, who proposed that Mr Yeltsin give him the task of forming the next government. He said in an interview: "I will not be able to stop inflation, and things will be very difficult. But at least there would be a coherent government with me as prime minister".

# Bosnia firm on territorial demands

Bosnian president Alija Izetbegovic (right) and his prime minister Haris Silajdzic before the Geneva peace talks on former Yugoslavia. Croatia and Serb-led Yugoslavia agreed to establish low-level diplomatic relations, stepping up pressure on Bosnia to endorse a deal on the republic's partition Report, Page 2 AP

# Vote on Japanese political reform looms as talks fail

By William Dawkins in Tokyo

Japan's governing coalition is to call a parliamentary vote on plans to reform the scandal-prone political system. It follows the collapse last night of negotiations for a compromise with the opposition Liberal Democratic party.

If successful, the ballot in a committee of the upper house of parliament will pave the way for a vote by the full house by the end of the week. That is the final stage before the enactment of the four bills, which will bring the biggest change to the organisation of Japanese democracy since the war.

Political suspense of this kind is relatively new to Japan, after 38 years of LDP rule which ended last July. The horse-trading has forced the government to delay an urgently needed package to stimulate the economy.

The vote will be close, because the upper house majority of the seven-party coalition is smaller than that in the lower chamber, where it won a showdown over reform two months ago. It also faces an unknown number of defections from both sides of the upper house.

Mr Morihiro Hosokawa, prime minister, said last night he was still prepared to meet Mr Yohei Kono, LDP president, in a final attempt to strike a deal. "Even if the upper house committee votes on the bills, we're still going to have our leadership talk," he said.

Members of the coalition and the LDP had made little progress during three meetings earlier in the day. If the bills do not pass parliament by midnight tomorrow they will expire, making it very hard for Mr Hosokawa to meet his self-imposed deadline of achieving political reform by the end of the month.

Yet Mr Hosokawa's scope to strike an 11th hour deal on reform with the LDP is limited by the risk he runs of offending the Social Democratic party, which is the coalition's biggest partner. Mr Kono is so unpopular in his own LDP ranks, and his party so divided that he might be incapable of enforcing any deal he signs.

Several LDP members opposed to reform yesterday suggested that Mr Kono face a vote of no confidence.

Yesterday's talks centred on an LDP proposal that the number of lower house members elected from single-seat constituencies should be increased from the coalition's planned 274 to 280, and those chosen by proportional representation from 226 to 230. Currently, lower house members are chosen from multi-seat constituencies and members of the upper house by proportional representation.

The LDP compromise would create a 510-seat parliament, nearly the same size as the current (511-seat) chamber, so neutralising opposition from politicians who fear losing their seats in the smaller 500-seat parliament planned in the reform bills.

# Clinton sees havoc caused by California quake

By Louise Kehoe in Los Angeles

Damage estimates from Monday's Los Angeles earthquake rose as high as $30bn yesterday as President Bill Clinton arrived in the devastated area.

Mr Clinton, who was met by a fresh aftershock shortly after he stepped off his aircraft, was expected to visit residents of Northridge, at the epicentre of the quake, who have been forced out of their homes. He was also expected to reiterate promises that the Federal government would provide financial aid to the quake-torn region.

California Governor Pete Wilson told the federal emergency management agency that the total damage from the quake could reach $15bn to $30bn, making it the most costly natural disaster in US history.

His estimate is in part derived from estimates provided to the state by EQE International, a San Francisco engineering consultancy that specialises in assessing natural disaster risks.

Mr Earl Aurelius, vice president of EQE, which is under contract to the state, said the preliminary estimate of damage to structures and contents was $15.1bn, excluding business losses. Of that total, EQE estimated that between $1.5bn and $1.9bn was covered by insurance.

EQE had used a computer model, combined with the observations of 30 of its engineers in Los Angeles, to assess the damage, Mr Aurelius said. "We are feeling increasingly comfortable with our $15.1bn estimate as we get further reports from the field," he added.

Damage was far more serious than in the 1989 San Francisco Bay Area earthquake, where costs rose to $7bn, because of the higher concentration of properties close to the epicentre, the consultants said.

The estimates are preliminary and are being refined day by day, a spokesman for the governor said. However, the $15bn to $30bn estimate provides a good "ballpark", albeit a large one, he said.


Continued on Page 14
Dream into nightmare, Page 6
Quake-proof buildings, Page 10


# France starts $6bn Elf sell-off

By John Ridding in Paris

The privatisation of Elf-Aquitaine, the oil company which is France's largest industrial group, will be launched today with the start of the pre-marketing period, Mr Edmond Alphandéry, the economy minister announced yesterday.

"I have just started the largest privatisation ever to take place in France," said Mr Alphandéry. "I am confident in the success of the operation. It is a very attractive company and France's top industrial group."

The sale of the majority of the state's 51 per cent stake in the group is expected to raise more than FFr35bn ($5.9bn). Mr Alphandéry said the privatisation issue would take place over the coming weeks, depending on market conditions, and by April 20 at the latest.

From today, individual investors will be able to apply for shares in Elf. Of the 60m shares to be offered for sale on the financial markets, 33m will be reserved for individual investors and 27m will be allocated to the tranche for institutional investors. A further 6.5m will be


Continued on Page 14


# Hanwa chief quits over huge losses

By Michiyo Nakamoto in Tokyo

Mr Shigeru Kita has resigned as president of Hanwa, the Japanese steel trading company, in the wake of huge investment losses in the financial markets which are forcing an extraordinary write-off of Y120bn ($1.08bn).

He took responsibility for the losses, blamed by the company on the sharp fall in the Tokyo stock market, which will contribute this year to an after-tax loss forecast at Y47.2bn.

The write-off is believed to be one of the largest related to financial transactions made by any Japanese company.

Funds amounting to about Y1.3 trillion still invested in financial instruments will be withdrawn over three to four years.

The company, which had a reputation for aggressive financial trading activities in the late 1980s, said it would end all transactions aimed at making profits on the financial markets and concentrate on its core business of trading in steel and other products.

The decision by Hanwa, whose enormous influence on the financial markets at one time earned it the nickname of "shadow Bank of Japan", came as a stark reminder to the Japanese business community of the damage wrought by an era of huge asset inflation and speculative financial trading. In particular, the resignation of Mr Kita, who will become a consultant to the company, marks a humiliating end for a man whose keen financial instinct was legendary and once brought the company he led not only notoriety, but power and huge wealth.

At its peak, speculative financial trading supported record annual pre-tax profits of Y38.4bn, of which more than 70 per cent, Y27bn, came from non-operating profits.

Mr Kita will be succeeded for the time being by his elder brother, Mr Jiro Kita, currently chairman but who will eventually resign both as president and chairman to make way for his son, Mr Shuji Kita, a former bureaucrat with the Ministry of International Trade and Industry and managing director of Hanwa.

Mr Takashi Iwami, vice-president, said that forecasts for the year to March were also being revised. The core business of trading in specialised steel products was firm, leaving its sales forecast unchanged at Y570bn. However, pre-tax profits would be Y11.7bn instead of the previously expected Y4bn since losses from financial transactions would no longer arise at the pre-tax level. There would be a net loss of Y47.2bn instead of a profit of Y3bn and the final dividend was being passed.



CONTENTS






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■ Rouble set for further falls ■ Brussels thinks again on aid ■ Anxiety over Baltic states ■ US expresses surprise

# Political uncertainty leaves the rouble without a prop

By John Lloyd in Moscow

A dam has burst for the rouble, with its fall from 1,200 to 1,607 against the dollar in less than three weeks.

The pressure had been building for months, thanks to the *widening differential* between the Russian inflation rate, of between 12 and 20 per cent a month in the second half of last year, and the stability of the Russian currency against the dollar.

But what broke the wall was the political crisis caused by the refusal of Mr Yegor Gaidar and Mr Boris Fyodorov, the most prominent reformers in the outgoing cabinet, to serve in the next one.

Mr Fyodorov yesterday accepted the post of finance minister in the new cabinet, but the pressure on the rouble and the Russian financial system is likely to continue.

The banks are now very jittery about the future for economic reform – it was their *movement* out of roubles and into more stable currencies on the inter-bank market that triggered the rouble's most recent slide. The government will need to deliver a far more coherent economic policy to regain the confidence *of its* financial institutions. Nor will the structural need for a realignment in the currency, thanks to high inflation, be easily addressed.

Yesterday, Moscow's heavily barred exchange points were surrounded by small crowds, with wads of roubles in their handbags and pockets.

Just off Pushkin Square, outside an exchange that had run out of money, a cashier was screaming at the queue, who were screaming at her. In the lobby of the upmarket Slavyanskaya Hotel, where President Bill Clinton stayed last week, the branch of Dialog Bank had also run out of hard currency.

By the end of the afternoon, *most points in the centres* appeared to be closed – with signs advertising the fact that they had run out of dollars, an implicit recognition that no one wanted to buy roubles.

Most analysts were not yesterday predicting a complete collapse of the currency. There is still demand for roubles – *the more so* because cash transactions, from January 1, cannot be in dollars. Wages must be paid, purchases made, and for many, the dollar is still unfamiliar, even if stable.

"This has been coming for some time," said one analyst. "Sooner or later the difference between the growing inflation rate and the dollar rate would have had to work through, and the political crisis made it sooner". This analyst had worked out that, had the rouble devalued parallel with inflation, it would now be trading at around 3,500 to the dollar – though he did not expect it to sink so low.

*It is possible a full-scale* panic could now emerge: the central bank, which intervened yesterday and the day before to limit the fall to around 100 roubles, could allow the rouble to sink, or be unable to stop it though intervention. The crowds changing money are not vast, but they are significant and could grow.

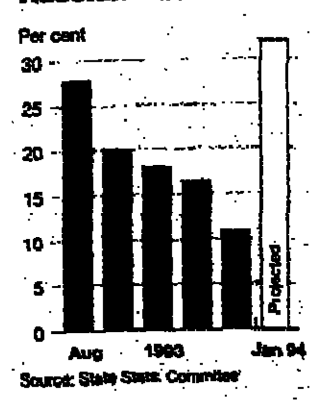
Whatever the outcome of the current political crisis, the structural pressure on the rouble is likely to remain for some time. Inflation is now thought to be very high – as high, according to the daily Sevodnya, as it was at the beginning of 1992, when a raft of prices were suddenly liberalised. Even as the triumph of last December, when it was brought down to the level of 12 per cent a month, was being trumpeted, prices zipped up in the week between December 27 and January 3, by at least 7 per cent. Prices are now on course to end the month more than 30 per cent higher than a month earlier.

Spending decisions just *before, and very soon after*, the December 12 elections could exacerbate the situation. Those made before included assistance to the coal industry and to agriculture, as well as increases to pensions and the minimum wage. Those made after include the payment of part of the Rbs6,000-7,000bn in unpaid wages and other government commitments, slashed by Mr Fyodorov in the last quarter of last year and now up for payment.

There have also been one-off spending commitments, such as the *refurbishment of the* shelled White House (set to cost $70m); to the new parliamentary centre (at around $500m) and the as yet unknown cost of the coming agreement on economic union between Belarus and Russia.

Moscow's bankers are beginning to worry that they may not survive the crisis, in that they lack the hard currency to feed a sustained demand for dollars. *Mr Alexei Obozintsev*, deputy head of Tokobank, said yesterday: "Yeltsin is the only hope left, he's the only reformer we have. He must act now."

However, the classic reaction of a central bank to such a crisis – higher interest rates – has not been announced and is not foreshadowed.




# Brussels shies away from big aid packages

By Lionel Barber in Brussels

The European Commission yesterday signalled that it was re-examining how best to keep alive prospects for economic and political reform in Russia.

Officials said that Brussels was leaning toward more aid for training and other micro-economic *measures aimed at* encouraging private enterprise in Russia, rather than multi-billion dollar macro-economic stabilisation packages co-ordinated by the International Monetary Fund.

This reflects growing sentiment that the EU should focus more on practical measures at municipal and regional level, especially now the hand of the economic reformers in Moscow appears to be weakened.

Sir Leon Brittan, chief EU trade negotiator, outlined the new thinking in talks three days ago in Brussels with Mr Ivan Silayev, the Russian ambassador to the European *Union.*

"He told the ambassador that we only support President Yeltsin because he is a reformer, not because we simply want to support Yeltsin," said one official.

Between *1990* and *1993*, the EU contributed almost three-quarters of world aid – Ecu52.4bn (£41.23bn) – to Russia and the newly independent former Soviet republics, much more than the US and Japan. The Commission itself supplied Ecu3.5 bn, largely through specially targeted aid programmes.

Mr Henning Christophersen, economics commissioner, said this week that western aid to Russia should be broadened. "We should not forget how important it is for the reform *programme to get the* private sector to work in a more efficient way."

In a speech last Friday, Sir Leon called for aid efforts to include more social programmes and spending on infrastructure so *that the* average Russian citizen recognised his stake in economic reform.

The new focus may provoke misgivings in the Clinton administration which – after some hesitation – has reaffirmed its faith in centrally-guided reforms based on lowering inflation and the budget deficit. President Clinton's message in his recent trip to Moscow was "more reform in Russia and more money".

Negotiations between Moscow and Brussels have been stalled since the political and economic power struggle. Brussels officials are braced for an even tougher Russian *stance, even though the* outstanding obstacles are relatively few – notably, access to the Russian banking sector and the rules governing the trade of uranium between the EU and Russia.

Key reformer Boris Fyodorov is staying, but that may not be enough to stem the rouble's slide Reuter

# Moscow backpedals in row over Baltic troops

By John Lloyd

The Russian Foreign Ministry yesterday assured western diplomats that remarks by Mr Andrei Kozyrev, the Russian foreign minister, that Russian troops would stay in the Baltics had been reported out of context.

However, doubts remain about Mr Kozyrev's – and the Russian government's – intentions. "This was clearly meant to be some sort of signal," said a senior western diplomat yesterday. "But it's not clear what, since the signals vary depending on the part of the government they come from."

Mr Kozyrev, who addressed ambassadors and senior officials of the foreign, defence and interior ministries on Tuesday, had been quoted as saying that Russian troops should remain in the former Soviet republics, including the Baltic states, to avoid a security vacuum and to protect Russian speakers in these states.

Reports of his remarks caused protests from the Baltic states.

Lithuania said it was strange that such a speech was made immediately after the meeting of the presidents of the US and Russia and at *the time when* the new Russian parliament opened. Presidents Boris Yeltsin and Bill Clinton signed an understanding on the Baltics, which included a Russian commitment to complete troop withdrawals.

Mr Georgy Karasin, the foreign office's chief spokesman, told the Interfax news agency yesterday that he had been using the words "presence" and "withdrawal" (of troops) in the "broadest possible sense".

*However*, western diplomats believe that the permission to the agencies to report the speech, and the harsher tone taken towards the Baltics, sends a signal to these states and to the world that the *attitude continues to harden* – especially since the Yeltsin administration sees a need to steal some of the thunder from the patriotic right in parliament.

# Concern grows in US

By George Graham in Washington

US officials were yesterday putting a brave face on the emerging policies of Russian President Boris Yeltsin, but admitting surprise that President Bill Clinton's apparent successes in Moscow last week should have been so quickly called into question.

The resignation of Mr Yegor Gaidar from the Russian government has been seen as contradicting the whole tone of the Moscow summit, during which Mr Clinton emphasised the need to press ahead with economic reform.

US officials are now pinning their hopes to the prospect of Mr Boris Fyodorov, the finance minister and another economic reformer, staying in the Russian government.

Such concerns over the pace of economic reform have been accompanied by rising anxiety over the continued presence of Russian troops in the Baltic states of Latvia and Estonia.

Clinton administration officials were this week taken aback by the suggestion by Mr Andrei Kozyrev, the foreign minister, that it would be dangerous for Russia to withdraw all its troops from the territories of the former Soviet Union. Mr Clinton had pressed Mr Yeltsin at the Moscow summit for a swift withdrawal of troops from Estonia and Latvia, and believed he had received assurances from Mr Yeltsin that this would happen.

*Mr Michael McCurry*, a State Department spokesman, said that Mr Kozyrev's comments were "certainly at odds with statements signed by President Yeltsin in Moscow".

"We have told the Russian government repeatedly that we expect prompt withdrawal of all Russian troops from Estonia and Latvia," he said.

# Enel chief faces power station fraud charges

By Robert Graham in Rome

Mr Franco Viezzoli, the head of Enel, Italy's electricity authority, was yesterday arrested on charges of alleged serious fraud, abuse of office and manipulation of bids relating to the construction of a power station at Gioia Tauro in southern Calabria.

He was arrested with 10 members of Enel in a police operation relating to the alleged rigging of bids for the power plant and the involvement of the *'ndrangheta*, the Calabrian mafia. Among the Enel executives were Mr Guido Gallizioli, the deputy director, as well as Mr Alberto Negroni, former managing director.

A total of 39 arrest warrants were issued covering local and national contractors, including Mr Lorenzo Panzavolta, the former head of Calcestruzzi, the Ferruzzi group's construction arm. Those arrested include those suspected of operating front companies for the leading local mafia families, the Piromalli and Pesce.

Since 1989 magistrates in Calabria have been investigating the construction of Enel's power plant at Gioia Tauro, the site of an unbuilt steel complex. In 1990 work was stopped because contractors were suspected to have been infiltrated by the local mafia. Enel sought to restart the project and the go-ahead with new guidelines was given last November.

Enel said yesterday it hoped the matter would be clarified as soon as possible.

As a result of magistrates' investigations into bribes and illicit payments to contractors, evidence has emerged of alleged corruption in at least two Enel power station contracts – Brindisi in the south and Montalto near Rome. But this is the first time executives have been charged.

Viezzoli: bid rigging alleged

In a separate development, Ravenna magistrates have decided to broaden the charges against the Ferruzzi family and former managers of the group to include conspiracy to commit a crime. This is the same charge as that levelled against criminal organisations and it is the first time magistrates have directed it against those running an industrial concern.

Those affected include Mr Arturo Ferruzzi, the former chairman, Ms Alessandra Ferruzzi, his sister and wife of Mr Carlo Sama, former head of Ferruzzi's main industrial arm, Montedison, who was also indicted with the new charge; Mr Giuseppe Garofano, former chairman of *Montedison; Mr* Giuseppe Berlini, the Swiss-based head of the Ferruzzi family's overseas operations, and Mr Sergio Cragnotti, the former right-hand man of the late Raul Gardini while he was running the Ferruzzi family's business.

It is not clear how this will affect Milan magistrates' well-advanced investigation into the Ferruzzi-Montedison group.

# UK seeks more EU ties with Turkey

By John Murray Brown in Ankara

Mr Douglas Hurd, Britain's foreign secretary, yesterday promised an initiative to deepen ties between Turkey and Europe, in a move which Greece promptly attacked as in breach of European Union foreign and security policy.

Mr Hurd, who arrived in Ankara yesterday, was due to deliver a speech on Europe and Turkey, ahead of talks today with both his Turkish counterpart, and Mr Klaus Kinkel, the German foreign minister.

With the Germans joining the talks, Turkey has an opportunity to air concerns about being isolated in the process of European integration, a discussion which has often been difficult to hold in the EU because of the Greek veto. The Anglo-German initiative is the first joint action to co-operate in areas of common concern.

Turkey, a Nato member, has had an agreement of association with the EU since 1963 and applied for full membership in *1987 but was rejected in 1989*. Relations have since been strained over concern on human rights, Cyprus and Greece's use of its veto as an EU member to block financial support for Turkey.

Mr Hurd's visit coincides with the start of the six-month presidency of the EU by Greece, Turkey's long-time rival. In Athens a Greek government spokesman said the *meeting breached the foreign* and security policy outlined by the Twelve at the Maastricht summit in 1992.

In the unlikely event of an early decision on Ankara's application for full EU membership, the UK is seeking to cement Turkey's relations with Europe. Ankara fears losing ground to applicants from Efta and former communist states of east Europe.

# Greece softens stance on conditions for EU entry

By David Gardner in Strasbourg

The Greek presidency of the European Union yesterday disavowed a proposal it made last week to limit EU regional aid available to the remote and poorer regions of the Nordic and Alpine countries which are *negotiating entry to the union.*

The proposal, which would have had most effect on Norway and Sweden, the two countries most reticent on membership, could have complicated negotiations which have to be completed by March 1 to keep to the deadline of entry in January next year.

Yesterday, however, Mr Theodoros Pangalos, the Greek European affairs minister, said of the proposal that "it's not our position, it's simply a working paper". The confidential January 10 paper, nevertheless, is clearly described as a "presidency proposal".

Mr Pangalos, who presented the Greek presidency's work *programme to the European* Parliament yesterday, is to visit Sweden, Finland and Norway from tomorrow for talks on the enlargement talks.

On the sensitive issues of regional and agricultural subsidies and how much the four applicants should contribute to the EU budget, the minister insisted "there is no Greek proposal at the moment, and there won't be until we've completed our talks with the candidate countries".

● The European Commission yesterday agreed on the shareout of the Ecu14bn ($15.5bn) social fund for 1994-99, which is aimed mainly at combating long-term and *youth unemployment.*

The Ecu14bn goes principally to those countries with the largest number of unemployed, excepting Greece, Portugal, Ireland and more than half of Spain, which, as relatively poorer areas, are entitled to more generous EU structural aid.

The UK share will be Ecu3.4bn, France gets Ecu3.2bn, Germany gets Ecu1.9bn, Spain Ecu1.8bn and Italy Ecu1.7bn.

The social fund is mainly for training and retraining the unemployed, but part of it can now be used to retrain workers who work in industries vulnerable to structural change.

**The European Parliament yesterday appeared to have won the argument over its right under the Maastricht treaty to ratify the Uruguay Round world trade agreement on behalf of the European Union, writes David Gardner in Strasbourg.**

**The Commission and some member states were reluctant to allow parliament to ratify the treaty. But Sir Leon Brittan, EU trade commissioner, said yesterday it was only right that parliament should take the final vote.**

# French recovery hits bumpy patch

By David Buchan in Paris

The uneven nature of France's economic recovery was yesterday underlined by industrial production figures, released by Insee, the official statistics agency. In November last year industrial production rose by 0.6 per cent over its level in *October following a month-on*-month drop of 0.7 per cent.

Despite see-sawing and conflicting indications of an economic upturn, the government is adhering to its forecast of 1.4 per cent growth for this year, while busily reviewing its options if the economy looks like falling far short of this.

Mr Edmond Alphandéry, the economy minister, yesterday said the credibility of the government's forecast had been reinforced by a Bank of France survey of industrialists in December who "confirmed the improvement in industrial production detected in November".

Insee is predicting that output in the fourth quarter of 1994 will show a 0.3 per cent rise over the third quarter. The agency forecasts an average 0.4 per cent output rise in the first two quarters of this year.

After Prime Minister Edouard Balladur discussed the situation with three of his economic ministers yesterday, *Mr Nicolas Sarkozy, the budget* minister and official government spokesman, said "encouraging prospects" had been identified, and that no new measures would be announced before a special February 3 ministerial seminar. Mr Balladur is to hold similar discussions on health insurance reform today and on unemployment next week.

This flurry of meetings is prompted partly by Mr Balladur's desire to regain political momentum after last week's setback to his education reform, and partly out of genuine uncertainty about the economy and worry over rising unemployment.

# Croats and Serbs form new ties

By Laura Silber in Geneva

Croatia and Serb-led Yugoslavia yesterday agreed to establish low-level diplomatic relations, stepping up pressure on the Bosnian government to endorse a deal on the republic's partition.

Under the modest accord, signed by the foreign ministers of Croatia and Yugoslavia, the two countries will set up repre*sentative offices in their* respective capitals by February 15. While proclaiming the declaration "a major step towards the normalisation of relations between Croatia and Serbia", Mr Franjo Tudjman, the Croatian president, was disappointed by the refusal of Mr Slobodan Milosevic, his Serbian counterpart, to extend full diplomatic recognition of Croatia within its borders.

The *agreement failed to* address the most serious point of contention, the fact that Serbs have set up their own state, of Krajina, on a third of Croatian territory. The Krajina Serbs yesterday said Croatia could sign international agreements "only for the territory that it controls".

Diplomats said the restoration of communication and transport links would be top *priority. However, similar* agreements put forward since 1991 have collapsed.

Mr Mohamed Sacirbey, Bosnia's ambassador to the United Nations, expressed the Moslem-led government's fear of a Serbo-Croat carve-up at their expense. "We hope this does not signal a further alliance of war against our country. Croats should decide *whether they are opportunistic* aggressors".

Meanwhile, talks among the three warring parties on the division of Bosnia remained deadlocked as Mr Alija Izetbegovic, the Bosnian president, stuck to demands for the return of territory in eastern and western Bosnia seized by Serb forces over 22 months of war.

In other sessions, Lord Owen *and Mr Thorvald Stoltenberg*, international mediators, discussed the creation of an international arbitration commission to settle territorial disputes.

In a surprise move the Bosnian spokesman yesterday announced that Mr Izetbegovic would back the arbitration proposal. It would effectively sanction the military status quo until the commission deter*mined which ethnic commu*nity should control a contested town.

Serb leaders did not immediately comment on the proposal, which could win their endorsement even though they have opposed international involvement in the past.

● The French government was yesterday considering a successor to General Jean Cot, who is to relinquish his com*mand of United Nations forces* in ex-Yugoslavia at the request of Mr Boutros Boutros-Ghali, the UN secretary-general, by March 31, writes David Buchan in Paris.

As the largest provider of UN troops in the former Yugoslavia, it is for France to propose replacing General Cot with another French general - rumoured to be General Bertrand de Lapresle.

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# EU leaves banana offer on the table

By Deborah Hargreaves

The European Commission said yesterday that its offer of greater access to the banana market in the European Union for Latin American producers remained on the table until February 15 in spite of a damning report by a General Agreement on Tariffs and Trade panel.

The Commission's decision to keep the offer open contradicts earlier threats made in a letter from Mr Rene Steichen, agriculture commissioner, and Sir Leon Brittan, trade commissioner, that the offer would be withdrawn if Latin American producers continued with their Gatt complaint.

Some European countries appeared unhappy with the Commission's apparent about-turn. In addition, Mr Mickey Kantor, US trade representative, is reported to be protesting to the Commission over strong-arm tactics used in encouraging Latin American producers to agree to the deal.

Latin American countries decided late on Tuesday to reject the EU's offer of greater access to the banana market after support from Costa Rica crumbled. Guatemala had held out against the deal.

The latest offer by the EU to eight Latin American producers would allow them to export 2.1m tonnes of bananas to the EU this year as opposed to 2m tonnes last year. It would also increase quota allocations for the Latin Americans, chiefly benefiting Costa Rica which would see its share of the 2.1m tonne access rise to 23.4 per cent from 19 per cent in 1992.

A group of five Latin American countries have complained to Gatt about the EU's banana regime which favours African, Caribbean and Pacific producers under long-term agreements with former colonies particularly of France and the UK. A first panel report by Gatt was released to complainants on Tuesday.

The report found that the EU's banana arrangements are inconsistent with Gatt rules: in particular the tariffs charged, discrimination between groups of producers such as those from Latin American countries and ACP countries and the licensing regime. Although the report is unlikely to be adopted, it puts EU countries in a difficult position. Some member states are pressing for changes to the banana regime.

# US farmers seek curbs on Canadian wheat

By Nancy Dunne in Washington

US farmers are pressing the Clinton administration to impose emergency curbs on the flood of cheap Canadian wheat imports now entering the US.

With many grain elevators bulging with Canadian wheat, US farmers have begun to take action. In Montana recently, farmers blockaded delivery of Canadian wheat to a grain elevator with parked trucks.

"We never had wheat coming across before the flawed free trade agreement with Canada," said a spokesman for the US Wheat Associates. "You wouldn't expect it to come across at cheaper than US prices."

US and Canadian negotiators have been trying to reach an agreement on disputes in five farm sectors: wheat, peanut butter, sugar and sugar products, poultry and dairy. Mr Ralph Goodale, Canada's agriculture minister, said it was possible that agreement could be reached this week.

Meanwhile, President Clinton has asked the US International Trade Commission to investigate the wheat imports.

# Driven to 'think global and act local'

## Christopher Parkes looks at Mercedes-Benz's commercial vehicle strategy

Mercedes-Benz was investing in the North American Free Trade Area before the company knew whether talks between the US, Canada and Mexico would succeed, according to Mr Bernd Gottschalk, head of the company's commercial vehicles division.

Whether it was accident or design which led to the late-1980s purchase of Freightliner trucks in the US and the opening of Mexican capacity now making 12,000 buses and trucks a year, he does not say. But Nafta has encouraged a strategy towards positioning the company to take advantage of what he calls "market conglomerates" or regional market groupings which have yet to come into being.

He is already preparing for Mercosur, the proposed common market comprising Brazil, Argentina, Uruguay and Paraguay and he has posted watch on the Asia Pacific Economic Co-operation group. If the world is to evolve into clusters of trading neighbours, Mercedes-Benz intends to be prepared.

The company started preparing early for the arrival of Mercosur, laying plans to restructure its Latin American manufacturing and at the same time breaking into the regional market for vans. The task began last year with exports of vans from Spain to Argentina and Brazil.

Meanwhile, capacity is being prepared in Argentina for the construction, starting in 1996, of a new van, the T1N, which is due to start production shortly in Düsseldorf. Of the 15,000 start-up production, Mr Gottschalk expects most will be shipped into Brazil. "Our Argentine factories will in future concentrate on vans and gearboxes while buses and trucks will come from Brazil."

Driven to globalisation by high export costs and widely different market needs, Mercedes commercial vehicles is already one of the most international of the Daimler-Benz group's manufacturing businesses. As Mr Gottschalk says, DM10bn of his DM25bn (£9.7bn) annual turnover stems from production sites outside Europe.

While the Mercosur arrangements represent a refinement of an established global investment policy, there is more foreign spending to come.

In Europe, where Mercedes claims 30 per cent of the market for trucks over 6 tonnes and up to 12 per cent of van sales, Mr Gottschalk points out that future growth is strictly governed by expected economic expansion of 2 or 3 per cent a year.

Mercedes-Benz: preparing for new market groupings

In China, he notes, Mercedes has 0.1 per cent of a market likely to expand by 8 to 10 per cent a year. In south-east Asia and other developing regions, market shares fluctuate between 0.5 and 1 per cent.

"We need new ways to enter these markets," he says. Opening capacity, based on the "think global, act local" tenet, developed by his predecessor Mr Helmut Werner, is part of the answer. "We have to enlarge the philosophy."

This process, entailing knitting together the group's products and production sites into a global logistical network, has already started. Buses currently produced with a Beijing partner are built on a chassis from Mercedes do Brasil. New capacity planned for Shanghai will build a bus based on a current Turkish model.

But the concept will be fully tested this summer at the company's Indonesian subsidiary, PT.GMM, selected to pilot production of a new light "component" truck, the MB 700. Co-ordinated through a new regional logistics centre in Singapore; engines will be shipped in from Brazil, axles and drive trains will come from India. Japan will supply power steering and body parts will arrive from Spain.

The truck will also provide supplies for Thailand and Taiwan. Mr Gottschalk also foresees the model coming closer to home. Turkey, he says, is an ideal production platform for central Asia.

But he is reluctant to discuss prospects for building "component" trucks within Germany, an idea which would spell the end of many more domestic jobs. He admits that with around 50 per cent of all parts made within domestic factories "we do a lot more than we should." His short-term target is to reduce vertical integration to 45 per cent. "To go further than that we would need to change our whole production structure," he adds.

"We are trying to be more international than any of our competitors. This is a new concept for the company. It requires new motivation, and we are in the process of convincing our German workforce," he says. "I never believed in the world car, and the world truck is a myth."

# Japanese drug production falls

By Paul Abrahams in Tokyo

Japanese domestic pharmaceuticals production registered its first fall in seven years during 1992, according to the latest data published by the Japan Pharmaceutical Manufacturers Association. The trade body blamed government imposed price cuts and distribution system reforms for the 2.2 per cent fall to Y5,574bn (£33.3bn).

The growing strength of overseas groups in Japan and the continuing international weakness of Japanese companies helped the country register the world's largest trade deficit in medicines during 1992, worth Y246.8bn.

Exports increased 15.5 per cent to Y183.3bn.

The largest export market was the US, worth Y41bn, followed by Germany (Y17.9bn), Belgium (Y15bn), China (Y14bn), France (Y13bn), South Korea (Y11bn), and Italy (Y10.7bn).

Only four Japanese companies generated more than 10 per cent of their sales overseas during the year to March 1993. These were Yamanouchi (29 per cent), Fujisawa (24.5 per cent), Tanabe (17.7 per cent) and Takeda (10.2 per cent).

Imports rose 4.3 per cent to Y430bn. Germany was the largest importer generating sales of Y106bn, followed by the US (Y80bn), the UK (Y48bn), Switzerland (Y46bn) and Sweden (Y26bn).

Japanese drugs groups have also been investing heavily in research and development during recent years with the aim of creating world-class medicines. In 1992 they spent Y590bn on R&D, an increase of 14.3 per cent on the previous year. Smaller companies accounted for most of the rise. Ten years ago Japanese groups invested only Y239bn on R&D.

# Unctad report urges market regulation

By Frances Williams in Geneva

The United Nations Conference on Trade and Development, the main UN forum on development issues, is urging developing countries to improve the regulation and efficiency of domestic stock markets so as to tap the huge flows of foreign capital seeking high returns in emerging markets.

This represents a big switch of policy for Unctad, which has in the past favoured loan finance from governments and banks for third world industrialisation.

It reflects growing signs that foreign portfolio equity investment (FPEI) is becoming an increasingly important source of external finance for developing countries, and one that appears to be sustainable in the long term.

In a report, Unctad notes that as a percentage of total long-term net resource flows FPEI has risen from 4 per cent in 1989 to 9 per cent in 1992. World Bank figures, which are on the conservative side, show that gross FPEI flows to developing nations rose from \$3.5bn in 1989 to \$13bn in 1992, before slipping to \$11bn (£7.4bn) in 1993. FPEI is a welcome source of external finance, especially since it is not debt-creating, Unctad says.

Global investors have tended to take a long-term view and foreign equity flows have not shown large fluctuations. However, the report admits that FPEI tends to increase market volatility, which is an argument for opening domestic markets gradually.

# ‘Foreign investment’ fuelled China boom

By Alexander Nicoll, Asia Editor

China said yesterday that its boom had been fuelled by a record \$27bn (£18bn) of foreign investment last year and that it was confident measures to slow the economic growth rate were proving effective.

The investment total made China "the country attracting the largest sum of foreign capital in a single year," said Mr Chen Yuan, deputy governor of the People's Bank of China, the central bank.

He gave no breakdown of the figure, which compared with an inflow of \$11bn in 1992, itself more than double the total of 1991.

Mr Chen said steps taken last year, including higher interest rates and curbs on bank lending to finance real estate speculation, had been intended to produce "structural adjustment, not an across-the-board retrenchment.

"We aimed at a 'soft landing.' We think we are getting there," Mr Chen said in a speech delivered by Mr Ma Yuzhen, China's ambassador to Britain, to a London conference organised by Thornton, the fund management group. Mr Chen was detained by meetings in Beijing.

He was unusually candid about the debate in Beijing over the need to slow growth, admitting that "there are still dissenting views on whether we prescribed the right medication, at the right time, with the right dosage."

Business people and high growth regions of China felt the measures were too harsh, while "the IMF people and World Bank people warned of the dangerous and unpleasant consequences of not being firm against inflation or other maladies of the economy," Mr Chen said.

Mr Zhu Rongji, vice-premier in charge of the economy and central bank governor, indicated that moves to restore financial order would be maintained. Problems such as over-investment in fixed assets and rapid money supply growth "had not been basically solved," he said on state television yesterday. "The pressure for inflation could rise at any time."

China is aiming to slow the economy to a 9 per cent growth rate in 1994 from 13 per cent rates in each of 1992 and 1993, and to cut inflation to about 12 per cent from about 17 per cent. Mr Chen said, however, that the slowing measures were only intended as a "stop-gap" while China tackled the "root cause" of its problems, which he described as the slow pace of reform of state enterprises and of the means of macro-economic control.

"Controlling economic growth rates is easy, we have done that before more than once, but we cannot solve the underlying problem and bring economic development on to a rapid, sustainable and healthy course without tackling the root cause," he said.

Under way were reorganisation of the corporate system into limited liability companies, with amalgamations encouraged and unworkable enterprises allowed to go bankrupt. Banking, tax, financial market and currency reforms were also in progress.

Under new tax reforms, enterprise taxes were unified at 33 per cent, personal income tax rates were also unified, and VAT introduced. The treasury in Beijing would receive tariffs, consumption taxes and state enterprise income taxes, while local governments would receive business and local enterprise taxes, personal income taxes and land taxes.

*China's advertising industry had a good year in 1993, with spending 40 per cent up on 1992 in an otherwise flat world market, Saatchi & Saatchi's Beijing representative said yesterday, Reuter reports from Hong Kong. Real advertising growth is expected to continue at 40 per cent for China in 1994, though rates are likely to decline.*

# Japan's move over bidding hailed by US

By Nancy Dunne in Washington

Mr Mickey Kantor, the US trade representative, yesterday hailed Japanese plans to reform its bidding process in its \$20bn (£13.4bn) a year public sector construction market as "an historic step forward" and abandoned plans to impose sanctions in the dispute.

"I hope that this positive step sets the stage for concluding meaningful framework agreements prior to the February 11 meeting between President Clinton and Prime Minister Hosokawa," he said.

The US and Japan had agreed at the Tokyo summit to reach agreements, using "quantitative and qualitative indicators" to measure results, in time for the bilateral meeting. However, administration officials have been warning of slow progress.

In a speech this week in Frankfurt, Mr Jeffrey Garten, the commerce department undersecretary, said little progress has been made on crucial issues, such as government procurement in telecommunications, medical equipment, insurance and automotive trade.

"We are not seeking to 'manage' our trade," he said. "It is more accurate to say that we are trying to open the Japanese market by seeking to have it 'un-managed.'"

The construction pact contains agreement to track foreign participation using "indicators" such as the number of overseas contracts granted and the value of the contracts. The two sides will have regular annual meetings to evaluate progress.

In the framework talks, Japanese negotiators have been reluctant to agree to any supposition about imports on the grounds that "expectations" agreed in past semiconductor and automotive parts pacts have been interpreted by the US side as market share commitments.

The "action plan" Tokyo devised gives the US most of what it has demanded during the years of frustration over the inability of US companies to win Japanese government construction contracts.

Mr Kantor said there would be "a lag time" before the contracts won by foreign companies is felt in their home economies. But he saw this as a boost for foreign participation in a \$1,000bn infrastructure market planned in Asia.

# Bentsen warns China over its MFN status

By Tony Walker in Beijing

Mr Lloyd Bentsen, US Treasury secretary, said yesterday China had not made sufficient progress on human rights to warrant US renewal of its Most Favoured Nation trading status, but he indicated that Washington was nevertheless anxious to forge closer economic ties with Beijing.

Mr Bentsen is the most senior representative of the Clinton administration to visit China. His presence in the Chinese capital is clearly designed to be part of a new US thrust to improve working relations dogged by bickering over human rights and arms disputes.

"It's really time to re-engage China on economic issues. We need to help China reform. We need a forum to address our bilateral concerns," Mr Bentsen told reporters after meeting Prime Minister Li Peng.

Describing the human rights issue as "basic to our relationship," the US official said "there has been progress, but so far it hasn't gone far enough".

President Clinton is obliged by mid-year to rule on whether China has made sufficient improvements in its human rights behaviour to justify MFN renewal. Mr Clinton said last year that China would need to make "significant progress".

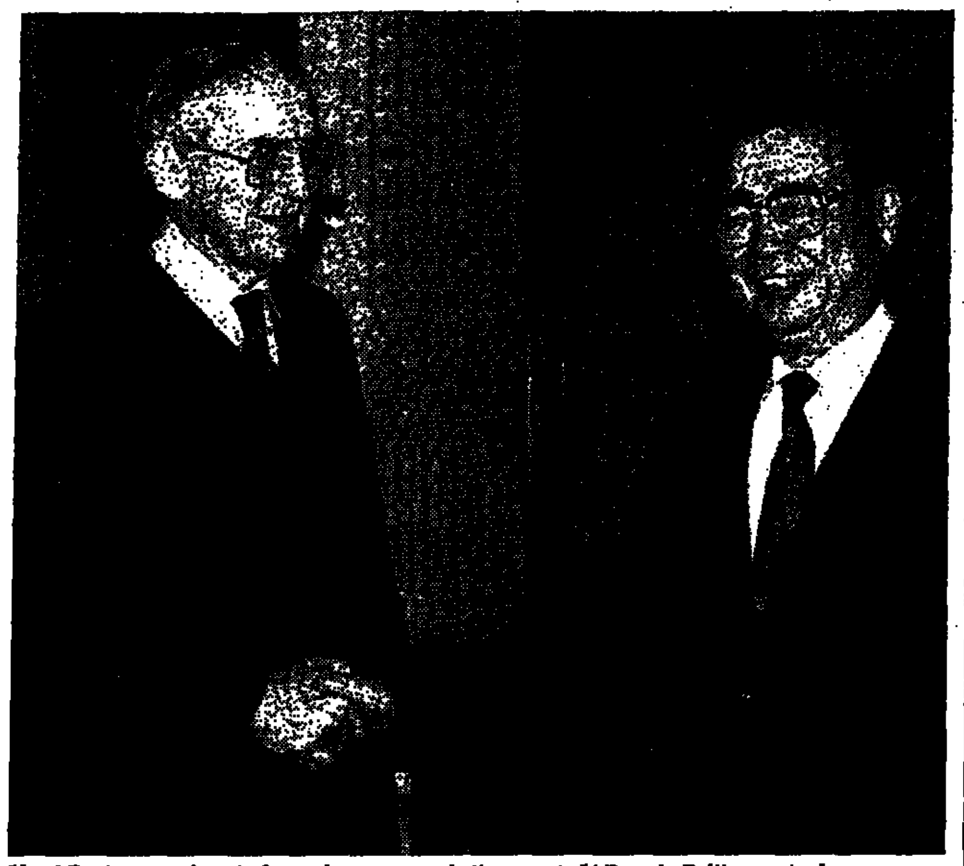
Mr Bentsen's visit to China follows a review of US-China policy and comes after the meeting last November between Mr Clinton and Chinese President Jiang Zemin in Seattle at an Asia Pacific Economic Co-operation (Apec) forum summit.

The Treasury secretary, who will co-chair a bilateral economic forum tomorrow, said that among his objectives in Beijing was to persuade China of the need to continue opening its markets, and also to demonstrate support for economic reforms.

The two countries are reviving a joint economic committee which last met in 1987 to pursue issues of mutual concern. Washington has been pressing the Chinese on questions such as abuse of intellectual property rights, especially the pirating of compact discs.

Mr Bentsen is also likely to express concern about a widening trade gap. Chinese exports to the US last year exceeded imports by \$25bn (£16.7bn), prompting protests from Congress leaders. China's trade surplus with the US is exceeded only by Japan's.

Mr Bentsen's visit came just two days after the US and China signed a three-year textile agreement, averting a serious trade dispute. The US threatened to slash Chinese textile imports, but in the end agreed to an effective freeze at present levels.



Lloyd Bentsen, anxious to forge closer economic ties, greets Li Peng in Beijing yesterday AP

# Plutonium gets star treatment

By Emiko Terazono in Tokyo

Plutonium may be one of the most toxic substances on earth, but it is safe enough to drink, says the Japanese government, which is promoting plutonium before the launch in April of Monju, the country's first fast breeder reactor.

A cartoon video made last year by Power Reactor and Nuclear Fuel Development (PNC), an affiliate of the Science and Technology Agency, shows Pluto, an atom-shaped cartoon character, informing a boy taking gulps from a jug that drinking water containing plutonium is harmless to the body since it is not easily absorbed by the stomach and intestines.

The government has been trying to reverse the negative image of nuclear power which has been spreading among ordinary Japanese since the wave of international criticism over a shipment of plutonium from France in 1992, and Russia's dumping of nuclear waste in the Sea of Japan last October.

The video, however, intended for a teenage audience, has alarmed environmental groups which claim the explanation is highly misleading.

An official at PNC said although the video explained that plutonium was hazardous to the human body if it was taken into the lungs or absorbed by the bones, "we didn't want people to be too scared of plutonium".

Meanwhile, Japan's nine electricity companies yesterday officially approved the construction of Monju's successor.

The companies expect the construction of the fast breeder reactor, almost three times as powerful as Monju, to start early next century, although plans for financing have yet to be finalised and the site decided on.

The move came as 11 leading US anti-nuclear groups urged the companies to give up the plutonium programme since Japan's use of the material in nuclear reactors would provide justification for other nations to follow suit.

## Nigerian central bank probe ordered

Nigeria's military ruler General Sani Abacha yesterday established a panel to investigate the central bank and told it to find out whether the institution was to blame for the country's economic woes.

"It has... become necessary to find out whether the Central Bank of Nigeria (CBN) has been a culprit or a victim in the unfortunate sequences that have culminated in our present economic troubles," Gen Abacha said.

The establishment of the seven-member panel of inquiry led by an economist, Mr Pius Okigbo, comes after the government last week unveiled the 1994 budget which placed greater responsibility on the CBN for the management of Nigeria's scarce foreign exchange.

Many financial analysts doubt whether the central bank has the capacity to implement and police the policies effectively.

## Algeria frees fundamentalists

Algeria has ordered the immediate release of Moslem fundamentalists held in two Saharan desert prison camps as well as all those under house arrest, the interior ministry said yesterday, Reuter reports from Algiers.

The ministry said the action was taken to help the success of a national conference on Algeria's political future next week. "This decision falls within the beginning of conciliatory measures to help the national conference succeed," the statement said.

Earlier this month, the head of an Algerian human rights organisation said that there were about 780 fundamentalists held in the two camps of Ain M'guel and Oued Namous.

## Dawn raids in Cairo

More than 1,000 police commandos swept through Moslem militant hideouts in southern Cairo yesterday in the biggest operation this year, Reuter reports from Cairo.

One policeman and a militant were killed and two policemen and one militant wounded in the dawn raids, the interior ministry said in a statement. At least 60 suspected militants were arrested.

The government sent 15 to a military court on charges of belonging to the illegal group which tried to kill Prime Minister Atef Sedki in a bomb attack in November.

# ANC calls for health care system shake-up

By Patti Waldmeir in Johannesburg

The African National Congress said yesterday it plans a big shake-up in South Africa's health care system, with the private sector to be "discouraged" in favour of a substantial expansion of the public sector.

ANC officials yesterday published a draft National Health Plan which calls for private sector health care to be brought under the direct control of the state, which may take steps such as capping the salaries of doctors in the private sector and regulating their fees to ensure that "profit is not the major incentive of practitioners". The plan also moots a new national insurance tax.

The aim is to "fundamentally correct the imbalances of the past", with whites and wealthy blacks enjoying first-world standard health care and most blacks receiving sub-standard care. However, any move that would jeopardise the quality of health care available from the private sector could substantially accelerate an already growing trend of white emigration. South African whites have been used to a high standard of health care since 1967 when Dr Christiaan Barnard performed the world's first heart transplant in Cape Town.

The plan will further exacerbate concerns about the ANC's plans for state intervention in the post-apartheid economy, ahead of a big economic policy conference due to be held by the organisation from tomorrow to Sunday.

"We must drastically review how we use our resources," Ms Cheryl Carolus, ANC National Working Committee member in charge of health told reporters in Johannesburg, saying the state was the most efficient provider of health care. "Huge problems have been created by thinking that the market can regulate health care," she said, adding central government had to play a more dynamic role.

She said the ANC was merely following an international health care trend: "There is international recognition of the central responsibility the government has in providing health care."

# Right-winger hints at ‘looming’ violence

By Patti Waldmeir

South Africa's most prominent right-wing leader, Gen Constand Viljoen, yesterday warned that conservative Afrikaners would use violence to bolster their demand for an ethnic homeland, reflecting an apparent shift in right-wing strategy toward the greater use of violence.

Gen Viljoen, who has long tried to moderate the actions of his more radical right-wing colleagues, warned: "sometimes you have to use a little bit of violence to prevent further big violence and clashes. There is a clash looming in our country". He said the right could prevent next April's elections altogether if it decided on a boycott.

Gen Viljoen was speaking as the deadline approached for changes to the new constitution aimed at accommodating the demand for Afrikaner self-determination. All changes are due to be agreed by next Monday. Negotiators from the right-wing Freedom Alliance were meeting the African National Congress and the government to discuss possible changes, but conservative Afrikaner leaders said they expected little from the talks.

The Afrikaner Volksfront, the umbrella group which Gen Viljoen heads, plans to declare unilateral independence from South Africa next Saturday unless its demands are met. It will declare its own "transitional authority" to rival the multi-racial Transitional Executive Council set up in December to oversee the run-up to all-race elections.

ANC leader Nelson Mandela said Gen Viljoen's statements were "very regrettable." Though he sympathised with minority fears, he would never contemplate a separate state for Afrikaners, though the ANC could accept a state where Afrikaners exercise autonomy so long as all people in it had the same citizenship and voting rights.

● The secretary-general of the Commonwealth invited post-apartheid South Africa yesterday to rejoin the association after a break of 33 years, Reuter reports.

# Indian tax probe sends shares into fall

By Stefan Wagstyl in New Delhi

Indian share prices fell yesterday after income tax inspectors announced the extension of a long-running probe into the affairs of Mr Harshad Mehta, the stockbroker at the centre of the 1992 securities market scandal.

The Bombay Stock Exchange index fell 125.11 points to 3,825.91 amid reports of panic selling of blocks of shares which investors feared might become subject to the investigation. Stockbrokers said that the market had in any case been ripe for a fall after a 54 per cent rise since early November prompted by large-scale foreign buying.

The income tax inspectors' investigation began in 1992 after Mr Mehta was arrested for his alleged involvement in the Rs42bn (£900m) scandal which rocked the Bombay securities market. Mr Mehta and others were accused of trading illegally in the inter-bank securities market in order to siphon funds into the stock market.

Last October, trading was disrupted when it emerged the tax authorities had frozen dealings in blocks of stock which they said were being held by others on Mr Mehta's behalf.

The authorities then specified blocks of shares in nine leading companies held by 134 individuals and companies. Yesterday they added shares of a further 20 companies held by 608 individuals and companies.

# Telecoms chief's death shocks Hong Kong

Hong Kong's business community was shocked yesterday by the announcement that Mr Michael Gale, chief executive of Hongkong Telecom, had died suddenly on Monday evening.

Mr Gale, 53, died in a local hospital to which he had been admitted last week for a back operation, of a heart attack. He is survived by a wife and two children.

Lord Young, executive chairman of Cable & Wireless and chairman of Hongkong Telecom, a subsidiary, said Mr Gale had brought "enormous wisdom and experience" to bear in the performance of his duties.

Mrs Anson Chan, acting governor of Hong Kong, described Mr Gale as one of the colony's most dynamic and respected citizens.

Hongkong Telecom had planned to announce yesterday that Mr Gale was to be made the company's deputy chairman. He was to relinquish the chief executive's role to devote more time to the development of Cable & Wireless' business interests in Asia.

The company went ahead, however, with the planned announcement that Mr Linus Cheung had been appointed chief executive. Mr Cheung will take up his duties at the beginning of May.

He is currently deputy managing director of Cathay Pacific Airways responsible for the airline's worldwide commercial activities and the most senior Chinese executive at the airline. His job will be taken by Mr Simon Heale.

Mr Cheung's appointment was seen as serving a number of interests. With Hong Kong returning to Chinese sovereignty in 1997 it was seen as politic to have a Chinese executive at the helm.

He is seen as an effective ambassador for Hongkong Telecom both in the colony and, importantly, in China, where the company has ambitious plans for expansion.

Hongkong Telecom has long held that if China is to meet its ambitious plans for telecommunications development, Beijing will have to permit foreign investment in the operation of regional telecommunications networks. It is working closely with telecommunications authorities in both Guangdong and Fujian provinces.

**Simon Holberton**

See People column

Gale: dynamic and respected

# Laos starts to wake up to its energetic neighbours

## Victor Mallet on how south-east Asia's poorest country is being caught up in the region's growth

A casual glance at the national accounts of Laos might give the impression the country is in sub-Saharan Africa rather than south-east Asia.

Laos imports twice as much as it exports; it is dependent on the assistance of the International Monetary Fund and other foreign donors; and it is one of the poorest countries in the world, with an annual per capita gross domestic product of about \$230 (£154). Total GDP is \$1bn a year, less than the turnover of a large corporation in neighbouring Thailand.

Laos's 4.4m inhabitants are known more for their charm than their industriousness. Lao rice farmers have a reputation in this dynamic region for lying down, closing their eyes and listening to their crops growing in fertile paddy fields.

In towns such as Luang Prabang, Morris Minors and 40-year-old Mercedes Benzes share the streets with more recent arrivals from Japan. In the capital, Vientiane, stallholders in the market are trying to sell old-fashioned Soviet cameras and hi-fi systems as well as Japanese refrigerators.

Laos, however, is changing fast. Even if it wanted to, this once forgotten corner of Indo-china could hardly escape the effects of the frenzied economic growth across its borders in China, Thailand and Vietnam.

Landlocked Laos is already a commercial crossroads of sorts. It levies a \$1,300 transit fee for new luxury cars – the Toyota Lexus is the latest favourite – on their way to the tycoons of China's Yunnan province from ports in the Gulf of Thailand.

In the past such trade was hindered by the difficulty of crossing the Mekong river, the appalling state of Laos's roads, and the uneasy relationship between Thailand and the communist government of the Lao People's Revolutionary party.

These days Thai-Lao relations are much improved. Australia has built the first bridge across the lower Mekong near Vientiane – a \$30m structure due to open in April – and other donors are financing construction of the road to China.

Even the building work is a novelty in a country where 85 per cent of the population depend on subsistence agriculture and have to forage for food in the forests if their crops are damaged by drought.

Abandoned by the disintegrating Soviet Union in the 1980s, Laos's socialist rulers (they have forsaken the communist label and dropped the hammer and sickle from the flag) have encouraged foreign investment as well as foreign aid. The "New Economic Mechanism" is the Lao code phrase for capitalism.

As in Laos's long-time ally Vietnam, the ruling party is in an ideological vacuum. Officially, the government of Mr Khamtay Siphandon says that the one-party system will stay for ever. State radio blares out the officially approved news from street corners.

The increasingly prosperous inhabitants of Vientiane, however, watch Thai television broadcasts (Thai and Lao languages are similar) or programmes beamed by satellite from Star TV in Hong Kong. They want to learn English and they go to discotheques.

The government is concerned about the social, environmental and political dangers of foreign – especially Thai – influence and economic liberalisation. It has therefore moved cautiously, but it has moved nonetheless.

Moribund state companies are being privatised or closed. Sensing that the inaccessibility of Laos and its small population make it a relatively unattractive prospect for investors, the government has gone further than its neighbours and allowed 100 per cent foreign ownership of companies.

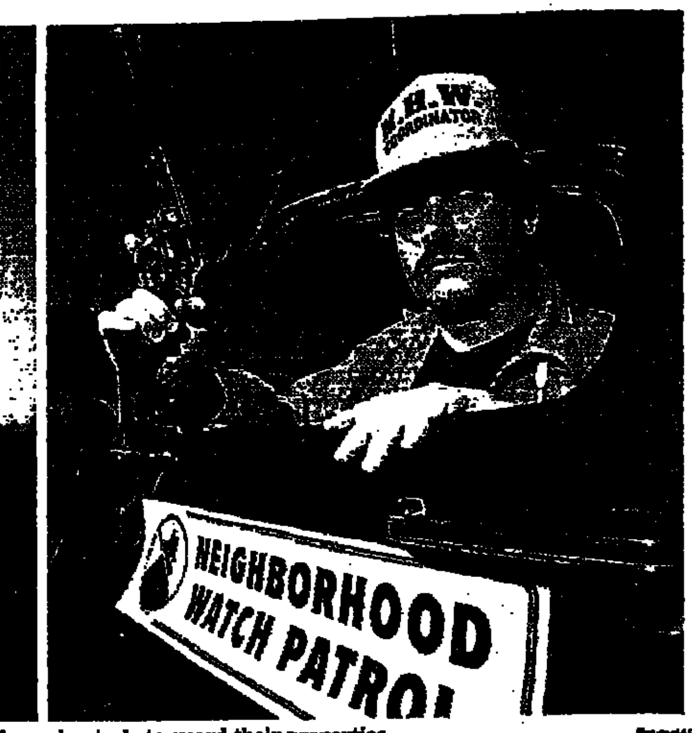
Clothing produced in more than 50 new factories has overtaken hydro-electricity as the country's main export, although there are plans for foreign investors to build hundreds of millions of dollars worth of new dams, increase electricity output 10-fold and sell 1,500MW to Thailand by the end of the decade.

Timber processing is also thriving. Hunt Oil and Enterprise Oil are searching for oil and gas. Newmont of the US and CRA Exploration of Australia are looking for gold. Shinawatra of Thailand has won a \$63m contract to install telephone networks and a satellite earth station.

Tourism is increasing. Some former refugees, Lao-Americans and Lao-Australians, are returning as investors.

Foreign investment, much of it from other Asian countries such as Taiwan, Singapore and Thailand, is still pouring in at a rate of some \$150m a year, and the economy is growing rapidly: 7 per cent in 1992 and about the same again in 1993. In these two important respects, the statistics show that Laos is a poor country in south-east Asia rather than a poor country in Africa.






Living with disaster: a resident of Northridge sits with furniture salvaged from her home (left); damaged freeways (centre) trapped commuters in massive traffic jams; and residents in Santa Clarita formed patrols to guard their properties Reuter/AP

# Quake turns Californian dream into a nightmare

By Louise Kehoe in Los Angeles

The "California dream" has turned into a nightmare for many residents of earthquake-stricken Los Angeles.

Monday's pre-dawn quake and the hundreds of aftershocks that continue to rock the region have destroyed more than homes and structures. For some, they have wiped out hope.

Some 20,000 people in and around the city are estimated to have slept out of doors on Tuesday night. Scores of dazed, frightened residents of Northridge, at the epicentre of the quake, were yesterday fleeing the area after spending two nights without electricity and water.

Their destination did not seem to matter. "I've just got to get out of here," said a man hauling a mattress on to the back of a pick-up truck. Furniture and possessions were strewn across the pavement in front of the building where he and his family lived.

The death rose to 42 after two more victims were found, crushed to death in their bed in a home in Santa Monica. Some 2,900 are reported to have been injured.

Flat dwellers seem to have taken the brunt of the earthquake's deadly toll. The Meadows Apartments in Northridge, where 16 people were crushed to death, has become a grizzly attraction.

Yet dozens of similar buildings in surrounding areas were also seriously damaged. Tilted at precarious angles, broken open by the quake's jolt, they threaten to collapse with the next strong aftershock.

Incongruous signs – Now Renting and For Lease – still fluttered outside, even as residents struggled to gather their belongings into cars, trailers and rented vans. Removal vans were everywhere, double parked on residential streets, blocking traffic.

Gas leaks remained a fear. Several residential streets in Northridge were cordoned off by police on Tuesday. Evacuated residents left signs – "gas leak" – and personal messages telling where they had gone. Dense smoke blackened the sky a few miles east, providing pungent evidence of the danger.

Whole streets of shops were boarded up with plywood. "Open soon. Big sale," was scrawled on one.

A hardware store did a brisk trade, evidence that some, at least, are determined to put the pieces back together themselves. The half-demolished Pacific Contractors School, for builders, offered little encouragement to those who sought professional assistance.

At the Northridge Fashion Mall, a large shopping centre, people gathered to gaze at the collapsed multi-storey car park and a Bullocks department store that appeared to be a write-off. National Guardsmen were stationed outside, not, they said, to prevent looting but to ensure nobody went too close to the damaged buildings.

Santa Monica has been hard hit as has Simi Valley, the site of the notorious first trial of the policemen who beat black motorist Rodney King. The officers' acquittal sparked riots in Los Angeles.

In Studio City, north of Hollywood, homes have been destroyed and hundreds of businesses wrecked.

Elsewhere, garden walls have collapsed, leaving rubble across the street. It is a small inconvenience, perhaps, but one that robs people of privacy as they camp out in their gardens.

Robbed of control over their lives, people seem to take out their frustrations on the streets. At traffic lights, black-out by power cuts, drivers played a deadly game of "chicken", with predictable results.

Los Angeles commuters were trapped for hours in massive traffic jams yesterday morning as the ravaged city struggled to return to some semblance of normality. For most this was the first day back at work since the earthquake.

For residents of the Santa Clarita Valley, to the north of Los Angeles, a one-hour commute turned into a three or even four-hour nightmare. With the main freeway linking the suburban region to the city closed by earthquake damage, they were forced on to an alternative route, only to have that partially closed by rock slides following another strong aftershock.

Traffic started to back up as early as 4.30am, according to the California Highway Patrol (CHP), and by 8.30am many who had started their journeys in the dark were still on the road.

Although seven highways have been closed by earthquake damage, most freeway overpasses showed no signs of structural damage. But all would have to be inspected, officials said, raising the prospect of further problems.

The CHP urged travellers to avoid visiting southern California. "If you don't know your way around, you will find yourself in trouble. Even for people who do know the area, driving is a trying experience," an official said.

Damage to the region's water supply systems was one of the most worrying problems, officials said. Close to 100,000 homes and businesses are without running water. The Department of Water and Power said three aqueducts had been ruptured and two pumping plants damaged. There are also many broken water mains.

# Aspin to stay as defence hunt goes on

By Jurek Martin in Washington

Mr Les Aspin, due to step down today as secretary of defence, has agreed to stay on until the Clinton administration names a new successor, following Mr Bobby Ray Inman's abrupt withdrawal as nominee to the Pentagon on Tuesday.

As President Bill Clinton left a Washington in the grip of record cold to inspect the Los Angeles earthquake disaster, there was no word on when a new candidate would be named, or even if the administration had compiled a prospective short list.

The search for a new nominee, led by Mr Mack McLarty, White House chief of staff, only began last weekend, when the president, still in Europe, was advised of Mr Inman's intention to withdraw.

The retired admiral said that he had recommended a successor but, given the embarrassment he has caused, it is unlikely to be given any weight. In effect Mr Clinton is back to where he was two months ago, when it was first decided to seek Mr Aspin's resignation.

There is a list of people whose names are invariably mentioned for senior defence positions and it appears to remain as it was, with the subtraction of Mr Inman's name.

Generally reckoned to be on it are Mr James Woolsey, currently head of the CIA; Mr William Perry, now deputy secretary of defence; Mr John Deutch, Pentagon under-secretary for acquisitions; Mr Norman Augustine, head of Martin Marietta, the leading defence contractor; Senator Sam Nunn of Georgia, chairman of the Senate armed service committee; and congressman Dave McCurdy, the Democrat from Oklahoma.

Also mentioned are retired General Colin Powell, former head of the joint chiefs of staff, and retired Admiral William Crowe, due to be the next ambassador in London. Both would require waivers from the law preventing former military men from serving in the Pentagon before a number of years have elapsed.

Each may have reasons not to accept any offer. Senator Nunn, for example, seems far too wedded to his power base on Capitol Hill to want to follow Mr Aspin's path to the Pentagon. General Powell's politics are a closely guarded secret, as are any political ambitions he may have.

See Feature

The sudden emergence of an old rival puts the presidential favourite under pressure

# Mexican uprising dents Colosio's image

By Damian Fraser in Mexico City

Three weeks ago Mr Luis Donaldo Colosio, the presidential candidate of Mexico's ruling Institutional Revolutionary Party, was preparing for an electoral campaign which many assumed would be little more than a formality. Like all his party's previous candidates, he was overwhelming favourite to become Mexico's next head of state.

Today such complacency has been dented. The New Year's uprising in the impoverished southern state of Chiapas, in which more than 100 people have died, and sudden re-emergence of Mr Manuel Camacho, his main rival for the party nomination, have fuelled old doubts about Mr Colosio's credentials for the job, and raised new ones about unity in the PRI.

The uprising in Chiapas, although confined to a few thousand guerrillas, has given fresh weight to criticisms of the economic and political model followed by President Carlos Salinas. As the hand-picked successor to Mr Salinas, and self-styled candidate of continuity, Mr Colosio and his programme have been wounded by such attacks.

While the Chiapas uprising has focused attention on poverty and under-development in Mexico, the main beneficiary may not be the leftist opposition, headed by Mr Cuauhtémoc Cárdenas, says Mr Federico Estevez, a professor at the Itam university. The uprising, he says, will make voters more worried about personal safety and political stability, and thus wary of supporting a party that calls for a radical overhaul of the existing political establishment.

Instead Mr Camacho may emerge as the main winner. After his appointment to the high-profile job of restoring peace to Chiapas, Mexico's newspaper columnists immediately speculated that Mr Camacho would use his position to challenge for the presidency, either from inside or outside the ruling party.

The speculation was fuelled in part by the announcement that Mr Camacho had asked

Colosio: problems

not to receive a salary in his new role and would not form part of the government, freeing him, should he wish, to become a candidate.

Mr Camacho was mayor of Mexico City and a possible presidential candidate until November, when Mr Colosio was unveiled as the PRI presidential candidate. In an unusually frank resignation speech, Mr Camacho promised to continue in politics and fight for advances in democracy. He pledged loyalty to to the government of President Salinas, but not to the PRI.

The possibility of a Camacho candidacy is still extremely remote. He is not popular in the PRI, partly because of his desire to introduce more democratic reforms, nor with the economist technocrats who have risen to power in the past decade and suspect him of populist tendencies. He would stand little if any chance of winning as an independent candidate, given the PRI's huge advantages in organisation and money over other parties.

"Mr Camacho is ambitious but not mad," says Mr Raymundo Riva Palacio, an editor at El Financiero newspaper who dismisses speculation of a candidacy this year.

There is little doubt that Mr Colosio has been damaged by his old rival's new prominence. The appointment of the ambitious Mr Camacho has made Mr Colosio look weak. Mr Salinas announced the appointment on the very day Mr Colosio's election campaign started, suggesting to some a calculated snub. Mr Colosio has decided to respond to the threat of Mr Camacho by saying next to nothing – exposing him to still further criticism of being weak and ineffectual. Mr Francisco Cárdenas Cruz, the influential columnist for El Universal, on Tuesday described his campaign as all but invisible.

Mr Colosio's supporters say that there is plenty of time before the August elections to recover from the poor start, and that any attempt to benefit from the crisis in Chiapas would backfire. Such views reinforce long-held criticism that Mr Colosio is too passive and lacks independent ideas to make a good president.

Mr Colosio's platform will be modified by events in Chiapas. The candidate will focus more on anti-poverty and regional development aspects of his programme than hitherto, supporters say. He is also likely to emphasise further his promise of free and fair elections, in answer to those who argue that the Chiapas uprising occurred as a result of a lack of democracy in the country.

## NEWS IN BRIEF

# CBS wins winter Olympics rights

By George Graham in Washington

CBS may have lost its broadcasting rights for American football, but it has has reasserted its claims as a top sports television network by winning the US television rights for the 1998 winter Olympics.

The network was due to announce yesterday it had secured the rights for the winter games, to be held in Nagano, Japan, with a record bid of $375m. CBS televised the Albertville games in 1992 and will also broadcast next month's winter Olympics in Lillehammer, for which it paid around $295m.

The Lillehammer games could draw enormous attention, as the women's figure skating contest, already one of the most popular television events, is now rapidly turning into a made-for-TV melodrama after the attack on Ms Nancy Kerrigan, one of the top US skaters.

CBS was stunned last month when it lost the rights to broadcast games from the National Football Conference, the top American football league, to Mr Rupert Murdoch's Fox Network.

## Grip of Siberian Express

A weather front meteorologists were calling the "Siberian Express" gripped the upper Midwest for the sixth consecutive day yesterday, with extreme cold closing businesses and schools and snarling airline traffic, reports Laurie Morse from Chicago. At Chicago's O'Hare airport, the busiest in the US, many flights have been cancelled since Monday. Snow was still hampering attempts to normalise services.

The spell is breaking records. Temperatures in Chicago have not reached above zero for a week, with the mercury dipping to 21 degrees below zero yesterday. In northern regions of the midwest, temperatures fell as low as 60 degrees below zero.

## US trade gap narrows

Tumbling oil prices helped narrow the US trade gap in November by 6.7 per cent, to $10.17bn, the Commerce Department said yesterday, Reuter reports from Washington. In the first 11 months of last year, the trade gap stood at an annualised $118.7bn, its highest level since $152.1bn, in 1987, the department said.

The merchandise trade deficit for October was $10.9bn, revised from a previously reported $10.46bn. The trade deficit with Japan declined in November to $5.72bn before seasonal adjustment, after swelling to $6.09bn in October.

The department said imports declined by 1.5 per cent in November to $50.24bn, due largely to a sharp $115.6m drop in the cost of oil imports to $3.09bn. Exports declined by 0.1 per cent to $40.07bn, reflecting decreases in industrial supplies and materials.

## Bar on Banco Latino

A Venezuelan criminal court judge has banned directors of the failed Banco Latino from leaving the country, according to reports yesterday. Banco Latino, Venezuela's second largest bank, was taken over by the government last Sunday, reports Joseph Mann from Caracas.

## Miami crime curfew

Dade County commissioners have voted to adopt a curfew aimed at reducing crime by requiring teenagers to get off the streets after 11pm, Reuter reports from Miami. The controversial measure, expected to be challenged in court by civil rights activists, will punish repeat violators by recalling driver's licences or fining parents up to $500.

# Brazilian reforms debate resumes

By Angus Foster in São Paulo

Brazil's stalled constitutional review finally resumed yesterday and the first proposed amendments, including changes to the presidential term, could be voted on today.

The review, which had been on hold since October because of a corruption scandal in Congress, is likely to make significant changes to the country's creaking political system. But amendments to modernise the economy are more controversial and face considerable opposition.

Mr Nelson Jobim, the review's co-ordinator, has prepared the first tranche of proposals from an original list of 18,000 suggestions. His proposals include a cut in the presidential term from five to four years and allowing holders of executive positions to seek re-election while still in office.

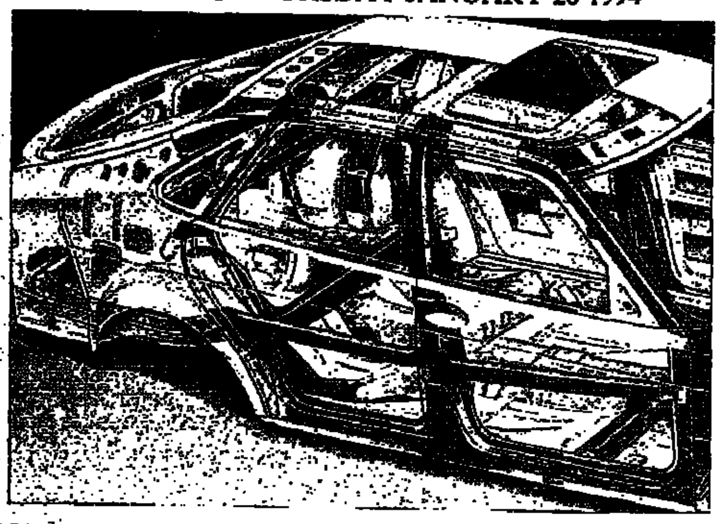
At present, leaders have to resign six months before elections while presidents and governors cannot hold the same office in consecutive periods.

This system, designed to reduce the advantages of incumbency, has usually weakened the last year of an elected official's term. "They only govern for two years, the rest of the time they are learning to govern or politicking for the next elections," according to Mr Jobim.

Other proposed changes include an end to Brazil's compulsory voting laws and stricter rules to prevent congressmen switching party affiliation mid-term.

Congressional immunity, which is extremely broad and has allowed some congressmen to escape criminal charges, would in future only extend to guaranteeing freedom of speech and association. Analysts agree that all these changes would make small but important changes to the way Brazil is governed.

● Brazil's monthly inflation rate edged through the psychologically important 40 per cent mark in the period between December 16 and January 15, according to one of the main organisations which track price rises.



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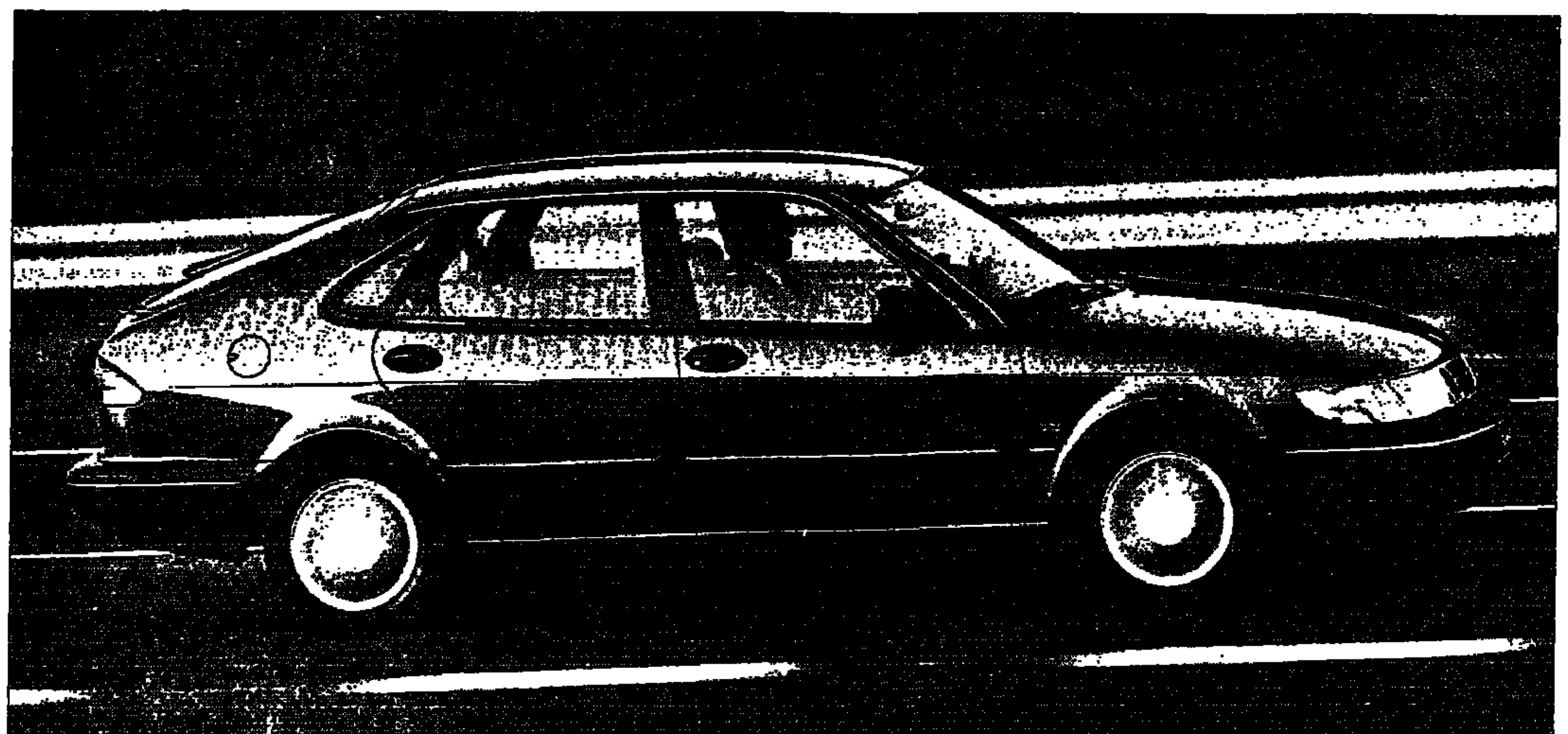

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# Customs warns Eurotunnel on security checks

By Jimmy Burns

British customs officials have warned Eurotunnel that attempts to police the Channel tunnel once it opens will be undermined by the company's rules on obtaining information on passengers.

According to a senior official, there are concerns that when the tunnel opens in May, customs will not have the information it needs, although passengers will be subject to standard passport checks and customs officials will travel on trains.

"From a purely customs point of view, it's going to mean more drugs getting through. From a security angle, it could mean that some terrorists will be travelling and no one will pick them up," he said.

Customs views the threat as so serious that it has been considering asking the government to put pressure on Eurotunnel, the tunnel operator, to change its practices.

However, the company said last night: "We never intended to give full passenger details. We are a railway not a ferry company. It's a turn up and go system. We think the controls we will have will be sufficient."

Customs officials believe that effective policing of Channel crossings is dependent on being given full information on vehicle registrations, passengers and freight.

However, the operational system which Eurotunnel plans will limit the information it can give to customs to advance reservations only, which it is estimated will account for about only 30 per cent of those actually using the trains on any particular day.

*Eurotunnel's operations, unlike the* ferry companies and airlines, are excluded from the UK's Carrier Liability Act under which companies are under obligation to provide the fullest information on passengers and cargo.

What are described as "serious" behind-the-scenes negotiations aimed at preventing a row over the information issue have included high-level meetings between senior customs officials and Eurotunnel executives.

A senior customs official said: "If we are not given full information as *to who is travelling,* we can't select individuals for target searching based on intelligence. The alternative is to search everyone. This, however, is impractical. So effectively the control element is going to be reduced substantially."

Eurotunnel *last night defended its* security record.

"Our security system is in place and is a vigorous as ever. We have deliberately not changed our control procedures and TML security people are still in place, the company said."

# Violence fears lead to soccer cancellation

German soccer officials yesterday cancelled a friendly match against England which was scheduled to be played in Hamburg on Adolf Hitler's birthday because of the possibility of violence between neo-Nazis and left-wing groups.

April 20 marks the 105th anniversary of the birth of the Nazi dictator.

After a meeting in Hamburg that also included local and federal officials, Mr Wolfgang *Niersbach, a spokesman for* the German soccer federation (DFB), said the game had been called off because of the Hamburg city government's fears of disturbances.

Mr Werner Hackmann, the Hamburg official in charge of internal security, had issued a "very urgent recommendation" against holding the game in the northern port city on Hitler's birthday.

He added: "We regret such a decision but we don't want to give right-wing extremists a forum."

There was no immediate word on when and where the match would be played, although German officials hope the fixture will be able to take place sometime this spring, since it is an important part of the German team's build-up to their defence of the World Cup in the US this summer.

Mr David Bloomfield, a spokesman for the English Football Association, said the decision to cancel the match was made by the City of Hamburg for security reasons.

No decision had yet been taken on whether the match would still be played and if so where and when it would take place, he said.

The FA would be having talks with the DFB at this weekend's European Championships draw in Manchester.

Mr Bloomfield said, however, that it would be difficult to move the match to a different date: "April 20 is an international date. With the crowded fixture list it is not easy to move dates around."

The next match for currently managerless England is against European Champions Denmark at Wembley on March 9.

# Italian entrepreneur plans Gatwick airline

By Paul Betts,
Aerospace Correspondent

BAA, the airports operator, and British Aerospace are backing a proposal by an Italian airline entrepreneur to start up a European scheduled airline based at London's Gatwick airport.

The new airline, Debonair, which plans to operate up to seven BAe 146 regional jets from Gatwick to several European *destinations including* Paris, Amsterdam, Munich, Berlin, Rome, Milan, Madrid, and Barcelona, is being set up by Mr Franco Mancassola.

Mr Mancassola is a former senior executive of Continental *Airlines and World Airways of* the US and has 30 years' experience in the international airline industry.

Mr Mancassola said yesterday that he had already raised £6.5m of the £13m equity finance for his new airline and planned to launch Gatwick scheduled services in the autumn.

BAA supports the venture as it has the potential to fill the gap left at Gatwick by the collapse of Air Europe and the demise of Dan-Air, which has been absorbed by British Airways.

Mr Allan Munds, Gatwick airport's managing director, said passenger traffic on European scheduled routes from Gatwick had dropped from about 5.5m to 3.5m during the past three years.

With BA dominating short-haul European scheduled airline services from Gatwick, Mr Munds said many long-haul airlines using the airport were keen to see a new airline offering European services from Gatwick.

The UK government's liberalisation of London air traffic rules has encouraged many international airlines to switch services from Gatwick to Heathrow, which has become overcrowded. Both BAA and the international carriers using Gatwick see a new entrant as creating greater competition and choice at Gatwick.

The new airline plans to start services in September using four BAe 146 jets leased from British Aerospace's aircraft fleet asset management organisation. Mr Mancassola plans to increase the fleet to seven BAe 146s by the summer 1995.

Mr Robin Southwell, of BAe's asset management organisation, said the UK manufacturer was backing the new venture and proposing to lease the first four 146 aircraft for a total of $500,000 a month.

Apart from daily scheduled services to European business cities, the new airline also plans weekend services to leisure centres including Nice and Venice.

Under the European Union's new airline liberalisation regime, any EU citizen can now start up an airline in any member state as long as it meets safety, management and financial fitness requirements.

Debonair Airway's chairman Franco Mancassola said yesterday that he had already raised £6.5m of the £13m needed for his airline

# UK's third BCCI trial opens

By John Mason,
Law Courts Correspondent

The former property entrepreneur, Mr Nazmudin Virani, helped the Bank of Credit and Commerce International carry out its massive international fraud by signing bogus documents enabling the bank to overstate its profits by $30m (£20m), a jury heard at the Old Bailey in London yesterday.

The assistance given by Mr Virani, the former head of Control Securities, the property and leisure group, enabled BCCI to deceive the Bank of England into renewing its banking licence. It could therefore continue taking deposits from the public long after it was insolvent, Mr Anthony Hacking QC told the court.

Mr Hacking was opening the third prosecution brought by the UK Serious Fraud Office over the collapse of BCCI. Mr Virani denies one count of conspiring to defraud BCCI depositors, 11 counts of furnishing false information to Price Waterhouse, the bank's auditors, one count of theft and one of false accounting.

Mr Virani's co-conspirator in the fraud was Mr Mohammed Haque, the former head of BCCI's property division in the UK, Mr Hacking said. After the collapse of the bank in July 1991, Mr Haque fled to Pakistan from where he could not be extradited to the UK.

Mr Hacking said that Mr Virani was the largest customer of BCCI's property division and he and Mr Haque developed a "you scratch my back and I'll scratch yours" relationship. Together they embarked on a fraud that benefited both BCCI and Mr Virani's private property empire, Mr Hacking said.

As BCCI's financial troubles increased in the mid-1980s, Mr Virani signed a series of bogus documents to help "plug the gaps" in the bank's accounts and hide the truth about its financial position, Mr Hacking said.

The trial, which is expected to last about three months, continues today.

# British Aerospace announces 500 missile job cuts

By David White,
Defence Correspondent

British Aerospace yesterday unveiled plans for further job cuts involving about 500 staff in its missile division, more than a tenth of its remaining workforce in the sector.

The cuts, likely to involve compulsory redundancies, follow a reduction of 830 jobs at three civil aircraft plants announced last week.

The company's Dynamics guided-weapons division, which is due to be merged with the missile-making activities of France's Matra group, will be reduced to 4,040 employees, less than a quarter of the level at the end of the 1980s.

BAe blamed deferment or cancellation of a number of UK and overseas orders.

The main reduction affects 330 jobs at its main missile manufacturing operation at Lostock, near Bolton – about a quarter of the factory's workforce. In addition it plans to shed 160 jobs at Stevenage in Hertfordshire and 20 at Bristol.

The company said the cuts bore no relation to the merger talks with Matra. The talks, due to be completed by the end of last year, have taken longer than expected, but BAe said it was confident an agreement would reached in the next few months.

Further reductions were necessary, it said, despite a recent £100m UK order for additional Seawolf naval missiles. It faced a gap before production of the missiles started in late 1995. At the same time, production of the Alarm anti-radar weapon, used for the first time in the Gulf war three years ago, was coming to an end.

However, it said it still had strong medium-term prospects, notably with the new Advanced Short-Range Air-to-Air Missile (Asraam), destined to equip the RAF's Eurofighter jets.

In contrast to the trend of cuts in the defence industry, the Southampton warship builder Vosper Thornycroft announced yesterday it was recruiting 60 employees, mainly steelworkers. The move reflects the build-up of construction work on vessels for Oman and Qatar.

# Ferry operator insists on wage freeze

By Robert Taylor,
Labour Correspondent

P&O European Ferries has threatened to dismiss more than 1,000 of its employees if they refuse to accept new conditions of employment. The company has also threated to sack them if they strike against the proposals.

"We don't want a confrontation but a negotiated settlement", said Mr Geoff Christian, the company's fleet director.

Final negotiations are due to take place tomorrow between unions covering crews and shore staff at Felixstowe in Suffolk, Larne in Northern Ireland and Cairnryan in Scotland over company plans to cut wage costs from £10m to £7.5m a year.

Members of the RMT maritime union at Felixstowe, Larne and Cairnryan voted last week by 319 to 36 to back industrial action and reject the company's proposals.

The company warned yesterday that it had gone as far it could in making "considerable concessions" to changes in working practices it presented to the unions last September.

The company had agreed to scale back its proposed job cuts of 240 by half to meet union anxieties.

Talks are continuing between the two sides at P&O's Portsmouth operations. Last week maritime officers in Dover accepted the company's terms – the rest of the workforce is non-union.

Mr Tony Santamera, the RMT's national officer, said yesterday members were "extremely angry" at the company's attitude. He said management had said those refusing to work under the new conditions would be fired.

P&O has insisted on a wage freeze for most of its workers with a 25 per cent cut in salary for more than a hundred catering staff.

## Britain in brief

## Single market drug fears 'disproved'

Fears that the first year of the single market would provide *opportunities for drugs* smuggling have been disproved, Sir John Cope, paymaster general said yesterday.

Senior customs officers announced record seizures last year of cannabis, and synthetic drugs *such as 'ecstasy'* and amphetamines.

Cannabis seizures rose 19 per cent in 1992-93 to a record 53 tonnes, with a street value of £176m. Synthetic drug seizures rose 215 per cent to 1,097 kg with a street value of £133m. Seizures of heroin increased by 25 per cent to 562 kg (£98m).

The number of people arrested in the UK as a result of international drug operations rose 29 per cent to 3,302, but cocaine seizures fell 33 per cent from the record 2,250 kg in 1992 to 748 kg.

Mr Douglas Tweddle, chief customs investigating officer, said intelligence predictions that South American barons would target the UK and western Europe were becoming a reality.

The Caribbean and West Africa were becoming important suppliers of cocaine, while the overland Balkan route was still a favourite with heroin smugglers, Mr Tweddle said.

## Howard to review legal proposals

The British government was yesterday preparing to water down plans to reform the police and courts in the face of growing opposition in the House of Lords – the non-elected upper legislative chamber – to key aspects of its legislative programme.

Mr Michael Howard, home secretary, signalled the climbdown after Lord Whitelaw, a former Conservative home secretary, attacked the police and magistrates courts bill for the second time in two days.

Mr Howard, who defended the bill after it was mauled by Tory critics in the Lords on Tuesday, was "prepared to listen to detailed suggestions which might improve upon the form of legislation".

## Ulster tourist expansion hopes

A successful peace initiative in Northern Ireland would prompt a 40 per cent rise in tourist numbers to 1.77m a year within three to five years and create "many thousands of new jobs", according to the Northern Ireland Tourist Board.

Mr Hugh O'Neil, its chairman, said yesterday that tourist numbers to Northern Ireland rose in 1993 for the fifth consecutive year. Final figures for last year have still to be compiled, but tourist enquiries and hotel occupancy rates showed increases over 1992 for the first half, with enquiries up 70 per cent.

The NITB has recently been expanding its presence in Europe, North America and Australasia.

Investment in the tourist industry in the province is estimated at some £200m over the past five years, while some 1.25m visitors came to the province in 1992.

## Renault in accident plan

Renault UK is launching a new weapon in the fierce UK new car sales war – accident management on every new car sold.

It has formed a venture with Accident Management Company, part of a northern-based fleet management group, to take over the administration of the entire aftermath of an accident, from contact with insurers to overseeing repairs, at no cost to the motorist.

The scheme, available for fleet and private buyers, already covers 31,000 Renault vehicles in the UK and is expected to be extended to more than 130,000 by the end of this year.

## Property industry raises £5.7bn

The UK commercial property industry raised £5.74bn in loans, bonds and rights issues in 1993, the largest total since 1989 and an 88 per cent increase on the previous year.

The statistics, which were compiled by chartered surveyors Savills, reflect a change in perception about the prospects for UK commercial property. Expectations about the performance of property increased sharply as a result of the improved prospects for the economy and the decline in interest rates and bond yields.

The total raised *included* £2.65bn from loans, £710m from bonds and £2.39bn from rights issues, compared with £2.77bn from loans and £281m from bonds in 1992.

The large increase in rights issues reflected a re-rating of property company shares.

The level of funds raised through loans in 1993, which included a £1.1bn loan in October to allow Canary Wharf to exit from administration, was similar to the 1992 total. Of the debt of £3.36bn, £2.18bn was used for refinancing existing debt, leaving £1.18bn as new money into property.

The statistics do not include the money invested directly into the market by institutional investors.

## MoD incentive to shipyard buyer

The UK Ministry of Defence would be in a position to award a contract to Swan Hunter, the stricken Tyneside shipyard, if a potential purchaser was willing to underwrite the bid, it emerged yesterday.

Since the yard went into receivership in May the MoD has said it can tender for orders, but an award can be made only if it is on a sound financial footing.

It became apparent yesterday, however, that a potential bidder would have the option of backing a bid for an order before committing itself to buying the yard in north-east England.

Swan Hunter's remaining 1,080 employees are fitting out its last orders – two Type 23 frigates.

## Vintage wine beats estimate

One of the world's most expensive wines lived up to its reputation yesterday when a bottle was sold for more than £9,000 at auction in London.

The double magnum of Chateau Petrus 1961 was sold for £9,350, beating its estimate of £8,000.

Head of Sotheby's Wine department Ms Serena Sutcliffe said: "It is always a major event to find Chateau Petrus of such an outstanding vintage in a double magnum."

Michael Sydney, export director of Lock & Co, a hat shop in central London which was founded in 1676. The company was yesterday presented with the NatWest Export Award for small businesses, given to companies with an annual turnover of under £1m. He said the best selling lines were tweed caps, which are popular in Italy, France, Germany and Belgium. *Picture: Lydia van der Meer*

# Major pays the price for predecessor's sins

**Philip Stephens** on the prime minister's efforts to shake off the opposition's allegations of sleaze

It is in the book of Exodus after the flight from Egypt that the unforgiving God of the Old Testament delivers his warning to the chosen people: "I am a jealous God visiting the iniquity of the fathers upon the children".

Mr John Major knows what he meant.

*Buffeted by the political fall-*out from Scott enquiry into arms sales to Iraq, the shady dealings by Westminster's Tory council and an aid-and-arms deal with Malaysia, Mr Major is paying for his predecessor's sins.

He is furious with Labour's attempt to pin the sleaze label on to his government. He is an honest politician. He does not like being branded the leader of a bunch of crooks.

But take them aside and many Conservatives will readily acknowledge that after so long in office any party runs the risk of becoming corrupted by the habit of power.

That, they judge, is what happened in Mrs Margaret Thatcher's third term of office. The massive mistakes in public policy – over the poll tax and Europe to name but two – after her third election victory in 1987 were mirrored by an arrogant disregard of accepted standards in the private business *of government.*

"It was corrupt", admits one minister who served in that administration. That is not to say individuals were making money out of their position in government. But otherwise: "*anything went as far as No 10* was concerned".

The exports to Iraq inquiry by Lord Justice Scott has not uncovered any great conspiracy.

Mr Major's exposition on Monday of his distinctly bit-part role in the affair was convincing. Labour understandably want to pin blame directly on him but the effort does not carry great conviction.

What the hundreds of hours of evidence and thousands of pages of written evidence to Scott does reveal is an unapologetic contempt among some (not all) ministers and officials for their own rules and for the institution of parliament.

For all the sophistry now being employed to argue that *there is no case to answer, it is* hard to find anyone in the senior ranks of the government who does not expect Scott to reach some damning conclusions.

The decision by the Thatcher government to devote £300m of Britain's overseas aid budget to an uneconomical hydro-electricity project on the banks of Malaysia's Pergau river is part of the same picture.

Ministers deny the scheme was linked explicitly to a £1bn arms deal negotiated personally by Mrs Thatcher.

When Mr Major gave final approval to the project in 1991, he was simply handing over a cheque she had promised. He received the assurance of Whitehall lawyers there was no illegality.

But those familiar with both the aid agreement and the "coincidental" arms deal say that the denials of a link are accurate in only the strictest terms.

The Thatcher government did not promise specifically the Pergau dam in return for the arms contracts.

But a few months earlier Mrs Thatcher's office had made a direct link between the arms sales and the aid package from which Pergau was eventually financed.

Then there is the alleged manipulation of electoral boundaries by Westminster council. It cannot be laid directly at the government's door. Lady Porter, the colourful then leader of the Tory group, made her own judgments. Nor is there anything particularly new in local authorities seeking to rig election results.

The brazen self-confidence behind a scheme which the district auditor estimates cost the people of Westminster more than £20m reflected, however, the climate of the age.

No one denies that the leader of what was proclaimed the Tories' flagship council was a frequent and honoured guest at No 10.

So what, Mr Major might say. My government is different. It set up the Scott inquiry. It has actually promoted the civil servant who brought the doubts over the Malaysia project into the public domain. If the Westminster charges are proved, it will condemn the guilty.

But the prime minister remains unwilling or unable to make a clean break. Apart from the occasional slip which provides a glimpse of his true feelings ("the golden age that never was" is the best example), Mr Major continues to defend the actions of his predecessor.

He should instead disown them; He might even, on occasion, apologise *for them. The* forgiving God of the New Testament did, after all, tell us how past sins could be absolved.

# MANAGEMENT: MARKETING AND ADVERTISING

## A brand new life campaign

Allied Dunbar aims to become market-led with a new advertising drive. **Diane Summers** and **Alison Smith** report

For the first time in nearly three years, Allied Dunbar, the top-league UK life company, will tomorrow night have an advertisement on television. The intention is that this will kick off a campaign that could be developed over five, 10, or even 15 years. A £75m budget has been allocated for the first five years' advertising – £10m of it will be spent in two bursts this year.

This substantial commitment is the culmination of a complete reappraisal of Allied Dunbar's position in the marketplace, its products, image and marketing. The process of reform appears to borrow more from the world of fast-moving consumer goods than from financial services. From seeing itself as product-led in the 1970s, to distribution-dominated in the 1980s, the company aims in the 1990s to become market-led. Along the way, it will want to shake off the "Allied Crowbar" tag it has earned as a result of its robust sales methods.

Many of Allied Dunbar's concerns have been problems for the sector as a whole. Recently the life industry has been defensive about a range of issues, perhaps most notably the widespread failure to comply with regulatory standards in the selling of personal pensions to people transferring out of occupational schemes.

Nor has the industry's reputation been helped by its vigorous resistance to regulators' determination that sale agents must volunteer to customers the amount of commission they receive and more information about the products they sell.

**The industry faces severe changes as it deals with what is seen as overcapacity within the sector**

The latest divisions over the future regulatory system and the plans for a personal investment authority are a further example of how life insurers appear unable to take the initiative in improving how people may perceive them.

The industry also faces severe changes as it deals with what is widely seen as overcapacity within the sector. While Allied Dunbar believes that the honeymoon period for bancassurance – the selling of insurance products through banks or building societies – may be over, that is not a view taken throughout the retail financial services sector.

In any event, it is a wise life company that makes efforts to raise its own public profile when it is facing increasing pressure from competitors who have a presence on most high streets.

Allied Dunbar is among the 10 largest life companies in the UK, with £14bn of funds under management and 1.4m clients. Most of its business, about 88 per cent, comes through its 4,000-strong direct sales force, while the rest comes through independent financial advisers.

The company has existed as Allied Dunbar only since the mid-1980s. It was originally set up as Hambro Life in the early 1970s by Sir Mark Weinberg, under whose leadership it revolutionised life insurance sales techniques. He departed in 1990 after it was bought by BAT industries.

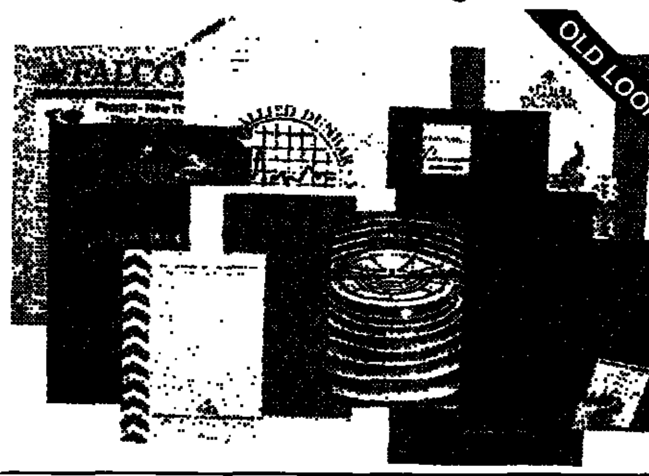
The reappraisal began in the following year with the appointment of George Greener, former head of Mars confectionery in the UK, as chief executive. One of Greener's first actions was to freeze expensive television advertising while the company sorted out its "brand" – an approach and the kind of language familiar to marketers of chocolate bars but a shock to executives in the financial services world.

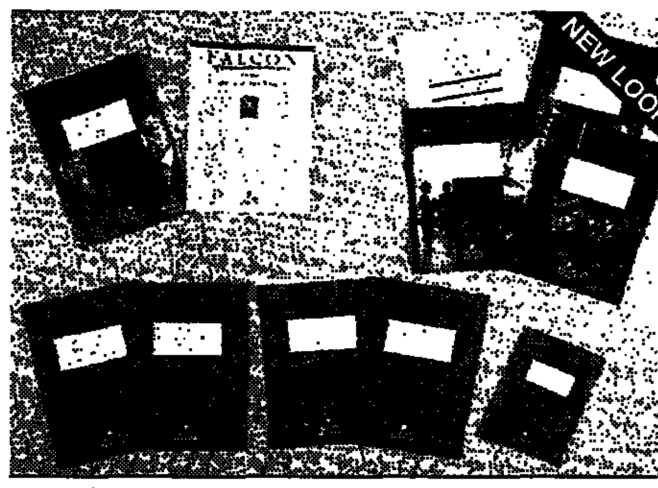
Greener has since moved on to a wider role in BAT but the current chief executive, Sandy Leitch, who took over last year, has continued the review. It was found that the company had a completely outdated picture of the marketplace: it was using the industry's standard "market segmentation" model, linking life stages to financial needs but taking no account of demographic changes.

The model – which has been around since the 1950s and is still used by some of Allied Dunbar's competitors, according to Jerry Grayburn, marketing director – assumes, for example, that all 20-39-year-old couples have young children. Says Grayburn: "If you haven't got children, you don't exist on the old model." Those over 60 and not retired, and single people with dependent children, were other groups that were previously ignored. The company has developed its own model which is already influencing product design.

There are now seven new segments: young professionals; dual career families; up-market empty nesters; mid-market empty nesters; new inheritors; self-employed; and high net-worth individuals. Each of these has a number of sub-segments.

**How the literature was redesigned**




The Grey Communications Group was hired to help Allied Dunbar define and build its brand. The agency had little experience in financial services but was known to Greener from his Mars days. Grey's first task was to find out how the company was seen, both by employees and consumers. "It was confusion. We didn't know what our reputation was – it was different things to different people," says Grayburn. Some of the contradictory messages that came back were that the company was both crusading and manipulative; was simultaneously caring and aggressive.

The next problem was to establish what Allied Dunbar's brand – "reputation", rather than brand, has been the word more easily understood within the organisation – ought to be. The result contains few surprises: consumers want, for example, to know the company is large, successful and financially secure; they want to be treated as individuals and have individually-tailored solutions to their financial needs throughout their life; and they want to find the company caring, honest, knowledgeable and experienced. Interestingly, clients (customers are no more) also want unpleasant and difficult issues confronted when investments, life assurance and pensions are discussed, and to have a clear idea what provision is being made for which eventualities, says Grayburn.

Consultants Coopers & Lybrand are helping to develop indices that will enable Allied Dunbar to measure the value of the brand and relate aspects of its performance to the bottom line. It is hoped, for example, that it will be possible to tell, over time, what the relationship is between client satisfaction and profits, so that marketing can be more tightly focused.

The first television advertisement, unveiled tomorrow, will not focus on any individual product, but will start to build the brand along the newly-defined lines. Deliberately, no stars will be used, for fear of overshadowing Allied Dunbar's own name. (The name itself will not change, says Leitch: "The only problem with the name is that it's not well-known enough.")

As the television advertisements get under way, all the company's brochures and publications will be overhauled. Until last year there was no unified style, which caused confusion in the marketplace, robbing Allied Dunbar of impact and leading to a "horrendous waste of money," says Grayburn, because each publication needed individual design work. An interim redesign (see illustration) will be superseded shortly.

Having set out its new, high-profile approach, Allied Dunbar is anxious to do all it can to minimise the risk of its message being undermined by its sales force, particularly given the background of public unease about standards in the life insurance industry.

Increased spending on training and compliance, as well as changes to the structure, have resulted, and specialist advisers have been appointed to the 19 regions to support the regional sales directors.

The remuneration of sales managers has also changed. Managers will no longer receive a slice of commission on the products their sales agents sell, but will be remunerated according to performance and targets set by the company.

Grayburn concludes in classic FMCG-style marketing speak: "Delivering consistent expectations is a key ingredient of building a strong brand. It is also important to be differentiated from other brands. But, most important of all, we've got to deliver. If you promise but don't deliver you end up like British Rail."

## Monster challenge for cut-price Kia

**Kevin Done** looks at a South Korean carmaker's move into the US market

Kia Motors, the South Korean carmaker, is about to launch itself on the US market. It is a daunting challenge. No one knows the brand. It is about to become the 36th nameplate in an already very overcrowded marketplace.

In order to carve a foothold in what is reckoned to be the world's most competitive car market, Greg Warner, executive vice-president of Kia Motors America, has decided that the key will be "disruption".

Early Kia market research was hardly encouraging, he says. "No one knows us. Kia brand cars have not been sold in the US before. No one needs us. It's not news that there is an over-supply of vehicles on the market right now. No one wants to hear from us. There's billions of dollars spent every year on automotive advertising. Who the heck wants to hear from yet another car company?"

The disruption strategy will effectively mean that Kia will seek to under-price its rivals by a significant margin, while supplying cars of competitive quality with often superior levels of standard equipment.

A similar strategy has often been used in the past by Japanese carmakers, but now it is the Japanese competition itself that Kia has in its sights. Warner maintains that a space has opened up at the bottom of the US market, thanks to substantial price increases by the Japanese carmakers, who have been under heavy pressure from the appreciation of the yen.

Kia's first US television advertising campaign begins next week, prior to the launch in February. It features clips from a 1960s science fiction film, *Gorgo*, with a gigantic monster trampling across the buildings of a city centre to the accompaniment of screams and dramatic music. Then the text appears, "There's only one thing more frightening to Japan." There's another shot of the angry monster, then the text "A well-built car for under $8,500" (£5,743).

Kia's first vehicle to be launched in the US is the Sephia, a small, four-door, family car with a 1.6 litre, 16 valve Mazda-designed engine.

"Our greatest impact will be on Japanese makes," says Warner, who is targeting the Sephia at rivals such as the Toyota Corolla, the Honda Civic and the Mazda Protege. It will also compete with GM's Saturn range and the recently launched Chrysler Neon.

He claims that the lowest list prices for a four-door Corolla or Civic are now more than $12,000. The Sephia is being launched with a base price of $8,495.

"The concept of providing compact sedans for an affordable price has been discarded by the Japanese. I have a feeling we haven't seen the last of price increase announcements from the Japanese."

# TECHNOLOGY

## Lucky numbers

**Sarah Underwood** on a network for Britain's national lottery

Britain's new national lottery opens for business in about a year, promising big cash prizes to the punters and much-needed tax revenues for the UK government.

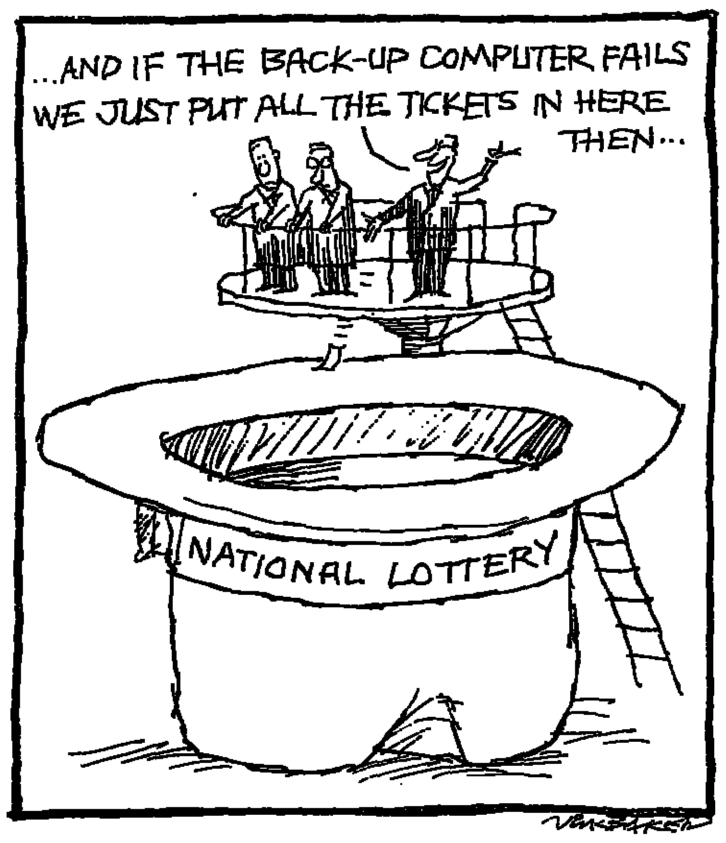
For the consortium chosen to operate the lottery, however, it also poses some daunting technical problems, not least of which will be setting up one of the largest computer networks in the world in around six months.

The eight consortia expected to bid for the licence next month agree that, while the technology involved is relatively simple, the sheer size of the network, coupled with strict requirements for reliability and security, will make building the necessary computer system a tortuous task.

Having stated its requirement, the government is leaving the specification of the system to its potential suppliers. To be truly national, however, it will need to cover more than 10,000 nationwide retail outlets at launch time, rising swiftly to approach 25,000. Each will be installed with a specially designed terminal connected to a central computer system handling on-line transaction processing at speeds of up to 2,000 to 3,000 transactions a second at peak betting times, typically the hour before the weekly jackpot is drawn.

A second computer centre, located at a separate site in case the first is hit by disaster, will be on constant standby, ready to take up the processing load should the lead computer system fail.

David Bale, chief executive of the New Zealand Lotteries Commission and a consultant to UK bidder the Great British Lottery Company, warns against over-ambition. "The key is integrity. The system must do everything properly, all the time. I would suggest that it would be irresponsible for anyone to bid newly developed software for such a large system as the UK. It must be well and truly tested, as must the hardware and communications network."




New Zealand's lottery, set up under Bale's guidance in 1987, has 700 outlets but because of their geographical spread and the country's demographics, it has proved a tough testing ground. Newsagents were initially connected to a central system via New Zealand Telecom leased lines and modems, although the network was digitised last year to improve availability and resilience as well as to add new features such as an emergency satellite back-up service.

Bale's worst memory is the Saturday morning when a road digger sliced through both the primary and secondary wires connecting 50 per cent of New Zealand's lottery customers to the central system, jeopardising an equal percentage of the week's income. In this instance, service was resumed by 5pm in time for intense activity before the 7pm weekly big prize draw.

Besides leased lines and locally connected circuits, communications technologies which may be viable in the UK include cable, packet radio networks, emerging integrated services, digital networks and, ultimately, the latest generation of satellite services.

Bale cautions, however, against a mix-and-match approach to building the communications network. "Every time you add a new media, you add problems. I would avoid it like the plague.

"BT's twisted-pair wiring goes everywhere in the UK and I believe it will deliver a very resilient service." With the investment in technology to set up the network expected to be £200m or more, British Telecommunications will not be the only supplier keen for a slice of the action, although its involvement is almost guaranteed as Mercury has neither the coverage, nor the experience, sought by the consortia.

Established suppliers of lottery system hardware include US companies Digital Equipment Corporation, Concurrent Computers and Control Data, which also offers complete systems through its subsidiary Automatic Wagering International. Software and specialist terminals are dominated by US-based G-Tech, with more than 60 per cent of the world market. It is also a member of the Camelot consortium (backed by Cadbury Schweppes), although this will not preclude other bidders from selecting its systems.

Specially designed G-Tech lottery terminals, bearing some resemblance to a hybrid automatic teller machine and cash register, and made by consortium partner ICL (the UK-based and Japanese-owned computer company), would be installed in retail outlets with communication handled across a customised network of mixed media chosen for its cost effectiveness.

Don Stanford, G-Tech's senior vice-president for technology, says: "We need to achieve over 99.98 per cent availability and total transaction times of less than 5 seconds from when the customer hits the button to when he receives a receipt. And we want to give retailers a terminal designed to provide the power, capacity and speed to sell all game products within 5 seconds. In the UK, things will go wrong if the solution is not completely integrated or properly tested.

"The hardest part of the job will be planning and tackling the complexity involved to have everything online on day one. Besides the computer systems, retailers need to be trained and there will be a high field service requirement." Although none of the consortia is prepared to commit itself, Stanford – who masterminded the Texas and California state lotteries – believes more than 500 jobs in manufacturing, operating the lottery and servicing retail sites will be created by the consortium chosen to run the lottery under the first seven-year licence.

IBM, the technical partner in the Lottery Foundation (formed by Richard Branson, chairman of Virgin), endorses the need for systems integration. In its self-appointed role as a services company rather than hardware supplier, the US computer group will act as a project management and implementation specialist.

To enhance its technical credibility in the eyes of the government selection team, Rainbow, the group put together by advertising agency Leo Burnett under the chairmanship of Sir Patrick Sheehy (chairman of BAT Industries), has enlisted a well-known technical expert. Peter Borer, formerly head of British Rail's telecommunications arm, is, like his counterparts, scrutinising all the technical options available.

As Bale points out: "The UK lottery is the last big prize [in the gaming sector] in the 20th century and probably the 21st. The battle will be in marketing, but that must be supported by first-class gear."

## Buildings that take quakes in their stride

Despite the scenes of destruction, Los Angeles could have fared much worse, reports **Andrew Taylor**

Considering the forces involved, the density of population and the large number of buildings in the area, Monday's earthquake in Los Angeles could have been a lot more devastating.

This will not comfort those who lost loved ones or their homes or who were seriously injured, but the death toll would have been much higher if more buildings and structures had collapsed.

Richard Hough, who runs a 60-strong office for British consulting engineers Ove Arup in Los Angeles, says: "My first impression is that the city's buildings came through it pretty well."

There is serious concern at the collapse of some freeway bridges and elevated motorway sections which would have been disastrous if this had occurred during rush-hour. The damage has caused serious disruption to the city's traffic but is still small compared with the size of the city's total road network.

Ove Arup compares Monday's quake with a similar-sized one at Spitak in Armenia in 1988 which killed 25,000 people and left a greater tide of damage in its wake.

The US west coast has some of the most stringent building regulations in the world outside Japan which suffers from an even more unstable geology.

International construction techniques to combat the severe stresses unleashed by quakes have improved significantly during the last 25 years as computers have allowed engineers to master the complex mathematics needed to calculate how a building will respond to violent ground movements.

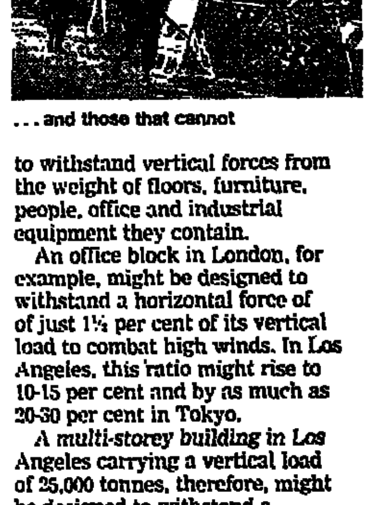
Demand to improve building standards in California rose sharply after a hospital collapsed during the 1971 San Fernando quake which killed 65 people, says Edmund Booth, a senior seismic engineer at Ove Arup.

Structures must be pliable as well as strong, he says. If they are "too stiff" they will be unable to flex with the movement of the ground, and collapse.

Designers, he says, must be careful that the natural frequency of a building does not closely match that of possible ground movements. This could cause the structure "to hum like a tuning fork" and shake itself to bits.

This occurred during the 1985 Mexico City earthquake where an essentially harmless earth movement was amplified by the soft soils of the dried-up lake bed on which the city stands. This had a devasting effect on buildings of 12 to 20 storeys, says Booth.

The horizontal forces produced by quakes are substantial, yet buildings are designed mainly



... and those that cannot

to withstand vertical forces from the weight of floors, furniture, people, office and industrial equipment they contain.

An office block in London, for example, might be designed to withstand a horizontal force of of just 1¼ per cent of its vertical load to combat high winds. In Los Angeles, this ratio might rise to 10-15 per cent and by as much as 20-30 per cent in Tokyo.

A multi-storey building in Los Angeles carrying a vertical load of 25,000 tonnes, therefore, might be designed to withstand a horizontal force of 2,500 tonnes, which is quite a punch, says Ove Arup. Typically, the cross section of a column supporting the frame of a Californian office block would be up to 50 per cent larger than that of a building in a stable seismic area. Reinforcement for columns also would be several times stronger.

Joints connecting upright columns and horizontal beams need to be strong to prevent shearing, and sufficiently flexible to allow the building frame to respond to ground movement.

A large number of deaths in the Armenian quake were caused by floors breaking free from the frame and collapsing one on top of the other like a pack of cards.

More recently, buildings have been mounted on bearings such as large rubber pads designed to "detune the structure from some of the underlying earthquake movement". Ove Arup estimates that about 10 buildings and a similar number of bridges have been built this way in Los Angeles. "It will be interesting to see how these have performed compared with other designs," it says.

More recently, Japanese engineers have incorporated computer-controlled hydraulic jacks which are used to brace buildings but can also allow the frame to move depending upon the scale and frequency of the ground movement.

Designers also have to take into account the effect of building movement on cladding and internal fittings. It is not enough to keep the building standing and floors intact if large amounts of decorative cladding and glass break free, killing and maiming crowds in the streets below.

Large pieces of equipment and furniture need to be fastened so that they do not topple over and hurt staff. A telephone exchange at Erzincan in Turkey, which wasthought to be fully prepared for a quake, suffered in 1992 when batteries stored to provide emergency power spilt sulphuric acid on the floor.

"The primary objective," says Booth, "is that a structure should be designed so that its occupants can safely leave it even if some damage has occurred." Tragically this does not always happen.



# PEOPLE

## Cable & Wireless tempts second BP exec

Cable and Wireless, the international telecommumunications group, has poached another senior executive from British Petroleum.

Stephen Pettit, 42, chief executive of BP's petrochemicals business, has been appointed to the newly created post of Cable and Wireless's managing director for Europe.

Pettit is following in the footsteps of James Ross, a former managing director of BP, who took over as C & W's chief executive in April 1992.

Like Ross, who had spent 33 years at BP, Pettit is a veteran BP man, having joined the company in 1974 after university. In 1981, BP paid for him to get his MBA from Insead.

Ross says Pettit has been hired for his "extensive experience of international management in a number of very competitive markets". Prior to taking on the petrochemicals job Pettit had been responsible for for BP's oil trading business.

He will be responsible for C & W's activities in the European Union – excluding the UK – together with Austria, Norway, Finland, Iceland, Sweden, the Baltic states, Eastern Europe and the western CIS.

Besides those tasks, he will also be responsible for coordinating all C & W mobile activity around the world.

Pettit is to join the European management board, chaired by Mercury chief executive Mike Harris, and will also join Ross's chief executive's committee.

Harris, a former chief executive of Midland's Firstdirect telephone banking business who switched to C & W in October 1991, says that he wants Pettit to unlock "the synergy between the investments that the group has made in Mercury and those that we look to make in Europe".

International news, page 4.

■ Eric Holroyd, 67, has stepped down as chief executive of Serif, less than a month after the refinancing of the loss-making printing and packaging group.

John Sandiford, the company's finance director, said that Holroyd was a company doctor and now that the refinancing had been completed there was less need for his services.

Holroyd will remain on the board as a non-executive director and a new chief executive is being sought.

## Darjeeling man moves to Food From Britain

Food From Britain, the government and industry funded body to promote exports of British comestibles, has a new chief executive, Patrick-Davis, 46. He gets his feet under the table, with a three-year contract, from March 7.

Davis, right, started his working life in the food business in 1964, joining Cadbury as a management trainee. During his time with the company he served in South Africa during 1969-70 and then moved on to Ireland, with a variety of posts involved in sales, marketing and trading.

In the management buy-out of Premier Brands in 1986 he took over the management of the tea division, and was closely involved with the company's acquisition of six different tea companies in the following two-and-a-half years. A previous chairman of the UK Tea Council – "the champagne of teas is Darjeeling", he says – Davis was managing director of Premier Teas, a major division of Hillsdown Holdings, from 1990-93.

FFB was established in 1983 and now has six offices in Europe and one in the US. Its overseas offices were recently privatised and last year provided consultancy support to more than 700 British companies.

In September 1993 Derek Garner stood down as FFB chief executive, following a government decision to slim down the organisation.

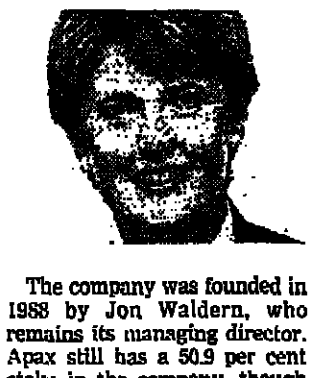
Davis says FFB will concentrate on two key aspects in the immediate future; the export of British food products and the development of speciality products in the UK. "I'd like to put the 'great' back into great food from Britain," he says.

## Virtuality's new strategist

Virtuality, the recently-floated company which produces hardware and software for virtual reality computer-generated entertainments, has turned one of its non-executive directors – Anne Glover, on the board since December 1991 – into chief operating officer.

Glover, right, will be based in the UK and will be responsible for operations worldwide. She will focus largely on implementing the international strategy of the company, which is aimed at making strong advances in Japan, Asia-Pacific, and the US. Virtuality is focused on exploiting the leisure possibilities of the new technology.

Glover, 39, is a Cambridge graduate and gained an MBA at Yale. She then spent five years with Cummins Engine in the US, followed by a further five years with the management consultants Bain, in Boston. In 1989 she joined the venture capital company Apax Partners, which backed Virtuality in its early days as W Industries. Peter Englander, a director of Apax, is to join the board of Virtuality as a non-executive director.



The company was founded in 1988 by Jon Waldern, who remains its managing director. Apax still has a 50.9 per cent stake in the company, though that is expected to diminish gradually over the next few years. Virtuality floated on the London Stock exchange in October; its shares immediately traded at a substantial premium to the placing price of 170p, reaching a high on the first day of 315p.

## Bond trader settles deal

Fears among top brass at investment banks in the City that their best bond traders would jump ship once they received their hefty 1993 bonuses are coming true – sooner than they thought.

With the ink barely dry on his handsome cheque, Michael Sherwood, the 28-year-old whizz kid widely seen as one of the driving forces behind Goldman Sachs's rise to the top of the Eurobond league table, has traded in his stressful life as head of the Eurobond syndicate desk at the US bank for a more leisurely career as fund manager at a private Swiss bank in London. Goldman's head of Eurobond trading, Sean Church, 29, has gone with him to CBI-UBP International, the London subsidairy of Union Bancaire Privée.

Union Bancaire Privée was created in 1990 when Compagnie de Banque et d'Investissements took over TDB American Express, the Geneva-based subsidiary of the US financial services group.

"We received an attractive offer to develop a fund management business for a major Swiss bank in a smaller working environment," Sherwood said yesterday.

Michael de Picciotto, the head of Union Bancaire Privée in London, said the duo will manage fixed-income investments for the bank's clients, and that their appointments are part of the bank's expansion plans. They are expected to be at their desks within one month.

Senior management at Goldman Sachs are stoical about the unexpected departure of two of their most successful graduate recruits and point out that staff turnover at their bank is lower than most. Dan Cook, the 30-year-old head of Eurobond syndicate at Union Bank of Switzerland, is joining Lehman Brothers; further evidence that the Eurobond market's annual game of musical chairs has started.

## Cinema/Nigel Andrews

# The comic who fell to earth

MANHATTAN MURDER MYSTERY (PG)
**Woody Allen**

HEAVEN AND EARTH (15)
**Oliver Stone**

TOMBSTONE (15)
**George Pan Cosmatos**

CALENDAR
**Atom Egoyan**

HOUR OF THE PIG (15)
**Leslie Megahey**

BHAJI ON THE BEACH (15)
**Gurinder Chadha**

*Manhattan Murder Mystery* is Woody Allen's funniest film in years. Yet watching it I kept thinking of the Columbia space shuttle disaster. For this comedy is a kind of tragedy. A rocket falling travels through the same airspace as a rocket climbing and at much the same speed. To the casual eye it might be a replay of the same spectacle. Yet everything has changed.

The energy of hope is now the energy of panic or the nullity of despair. The unity of purpose and construction is now a cluster of shellshocked fragments.

In his new film Woody Allen plays a New York flat-dweller whose enigmatic neighbour (Jerry Rubin, doing a portly-ominous number a la Raymond Burr in *Rear Window*) may have murdered his wife. Woody is here rejoined – falling through the old career airspace – by Diane Keaton as his sleuthing spouse and by Marshall Brickman as his co-screenwriter. Together again! The trio who made comedy history with *Annie Hall*!

Only this time the vehicle is a Columbia movie shuttle and it is going down not up. As for the noise from us watchers on the ground – we who loved Woody when he soared and have watched agonised as his name plummets through the Scandal Zone – well, is that laughter or hysteria?

Probably bits of both. Here is the bug-eyed, mosquito-voiced Everymensch: flailing his arms, railing at life, remembering his first ill-fated date with his wife (they saw *Last Year At Marienbad* – "Who knew they were flashbacks!?") and aghast when her friendliness to the elderly Jewish couple down the corridor turns into DIY detective work when the wife suddenly dies. He groans as she gets up at midnight to break into locked apartments. He urges her to start seeing her shrink again – "You know how General Motors recalls defective cars?" But he finally gives up and joins her, plus Alan Alda (best friend) and Anjelica Huston (passing novelist), in tracking down the evildoer.

The one-liners are beauties. Woody to Diane: "Save a little craziness for menopause!" Woody after *Die Walküre* at the Met: "I can't listen to that much Wagner. I start to get the urge to conquer Poland again." Yet something is wrong, and it is the same 'something' that a falling space vehicle might sense. *Déjà vu*. Captain, I think we have passed that cloud/sunbeam/bird before.

Nothing in *Manhattan Murder Mystery* is new. The joke allusions to old movies (*The Lady From Shanghai*; *Double Indemnity*); the phobic fun with high culture (Huston's new novel "makes *Finnegan's Wake* seem like airport reading"); the comedy of paranoia (who will get caught behind the wrong door?). Above all, the Woody dementia itself. He is still the endearing twit with the haymaking gestures and vertical take-off intonations. But this time the antic infantilism starts to look a bit ghoulish in a man we know to be nearing 60 and knocked about (offscreen) by things worse than being caught prying into the life of a suspect uxoricide.

We *do* laugh, at times even guffaw. Yet we also sense a film of fragments without moment: a scrapbook movie. It is as if the heat-seeking tabloids have finally got to Spaceship Woody, or as if he has realised that they might. He has shrugged his shoulders, taken the safety-catch off the artistic auto-destruct button and prepared to head back for base, albeit in a last warming glow of nostalgic glory.

★

Oliver Stone's *Heaven And Earth*, the last part of his Vietnam trilogy, has a different way of setting the screen aglow. Some war movies move us by their awful stoicism. The unsaid feelings of *La Grande Illusion* or *Paths Of Glory* speak louder than words *or* images. Other war cinema, including Stone's *Platoon* and the combat scenes in *Born On The Fourth Of July*, comes at us high on sound and visual fury, like fire-breathing monsters.

*Heaven And Earth* takes two books of memoirs by Vietnam-born Le Ly Hayslip, who suffered in the war at both VC and US hands, and uses them as kindling matter for Stone's latest essay in agit-pyromania. We sense him setting things up in the credits sequence. Wide-screen vistas of a verdant valley – Southern Thailand playing Central Vietnam – are dunked in lush orchestral music plus choirs, much as a pile of wood is soaked in paraffin by an impatient bonfire-builder.

Softened up by this inspirationalism? Then bring on the juddering angel-of-death helicopter, pixilating the landscape into an apocalyptic blur. Follow that with dream sequences in which Le Ly visualises young compatriots being hurled from Uncle Sam's choppers. Follow that with capture, rape and torture-for-all-tastes (electricity, snakes down blouses, ants on honey-smeared ankles). And then drag our heroine, after first orphaning her from her wisdom-spouting father (Haing S. Ngor of *The Killing Fields*), into the very engine-room of US imperialism by marrying her to Sergeant Tommy Lee Jones.

With this actor, fast becoming America's leading psychotic, there is only ever one question. When will he crack up? He cracks up here back in America, after his shocked bride learns he plans to cash in his army stripes for an arms-trading career back in – yes! – Vietnam. Stone films these domestic corrida scenes with an intensity so fierce that they almost work. Jones's gnarled bullet-head, harbouring all America's tragic geo-political evils, creates a grand-guignol visual counterpoint with the melting, solicitous Le Ly, better played than the role deserves (as scripted) by newcomer Hiep Thi Le.

These scenes suggest that if Stone could abandon his preachy overview of man's beastliness to man, he might find far more power – as any good artist finally does – in splitting the atom of personal encounter. Great drama grows in small spaces. Large spaces merely encourage gas-filled generality.

On that theme, which of the following transatlantic films should you go for? The small Canadian film about identity, Atom Egoyan's *Calendar*? Or the large Hollywood rehash of the OK Corral story, *Tombstone*?

No contest. *Tombstone* is two long hours in the Echo-chamber Elegiac mode, in which a handlebar moustache called Wyatt Earp (Kurt Russell) muses on life with dying Doc Holliday (Val Kilmer) overacting Powers Boothe (as Curly Bill) and wheeled-in-for-a-cameo Charlton Heston. Sometimes guns are fired, but more in sorrow than in anger. And director George Pan (*Rambo*) Cosmatos directs as if his trigger finger is itching to shoot away all the phony *weltschmerz* in Kevin Jarre's screenplay.

*Calendar* treats a terminal subject with teasing glee. The director of *The Adjustor* here revisits his ancestral Armenia, commissioned to take photos for a tourist calendar, and improvises a tale of marital break-up. Main characters: himself (often just a poignantly interrogative voice off camera), his Armenian-born wife and the local guide who becomes her lover. While a foreign sun shines on their bilingual imbroglios, flash-forwards depict Egoyan back in Canada trapped in the misery of serial dating and the miasma of memory. This film about time, space and emotional paradox is as bewitching and many-angled as its own leitmotif: the Byzantine churches that gaze timelessly, tauntingly, from the skylines.

Finally, two British movies which sprawl amiably all over their subjects. Leslie Megahey's *The Hour Of The Pig* takes a just-fancy-that historical footnote – did you know that mediaeval French justice used to put animals on trial? – and gets carried away by its possibilities. Magistrate Colin Firth battles to save a black porker from a murder charge, while Nicol Williamson, Donald Pleasence and Ian Holm snarl, oink and sharpen their trotters in the background. A few moments of inspired battiness are not enough.

In Gurinder Chadha's *Bhaji On The Beach*, Anglo-Asian Birmingham has a funny-disastrous day out in Blackpool. Four generations of immigrants find their problems coming to a head, as pregnant daughters, wife-beating husbands, lonely aunts and God knows who else find their trip turning into an awayday to Purgatory. The comedy is too soft-centred to make the teeth crunch on these themes as they should. But there is flavoursome charm in the performances and the seedy-photogenic setting.

**Through the Scandal Zone: Woody Allen with Diane Keaton in 'Manhattan Murder Mystery', his funniest film in years**

## Theatre/Andrew St George

# One sail short of a full rig

Daphne Du Maurier (1907-89) wrote three plays: the third, *September Tide* opened in London in 1948 and is now at the Comedy Theatre in a joint production with The King's Head, the Thorndike Theatre Leatherhead and the Liverpool Playhouse. This brief Cornish sea tale is one sail short of a full rig; but it is well acted and neatly paced.

Evan, a rumbustious Welsh artist of the Dylan Thomas variety is unromantically married to Cherry, a sulky, idle Chelsea art student. They visit her mother, Stella, at her beach house in Cornwall; Evan falls in love with his new mother-in-law, and the situation is further complicated by Cherry's loutish brother and Stella's suave local suitor.

It is hard to tell whether this is a comedy: director Celia Bannermann's problem is that Du Maurier's style is so open that any interpretation can fit. The lines played as jokes pop up uninvited and unannounced: "How do you do, I'm mother," says Stella to Evan, "I've never had a son-in-law" and he replies "Perhaps I'll be the first of many."

Du Maurier is at her best in stories which adapt well for the screen (*Don't Look Now*, *Jamaica Inn*, *The Birds*) where her wonderful ability to create atmosphere can be translated into images which have a vaguely menacing feel. This show starts with a haunting tune from Eric Satie and ends with Stella looking at the ferry which carries Evan away. In between there are meaningful pauses over Evan's portrait of Stella and a warning about the power of those September tides. In essence, this resembles Noel Coward's *Brief Encounter*. One character declares love for another and the situation becomes too too unbearable for both.

The acting carries the weakness of Du Maurier's plot. As the brawling Evan, Michael Praed is superb: loose-limbed, quirky and passionate. His moods shape every scene he plays. Opposite him, Susannah York as Stella is still too *distrait* for a woman he would fall for; her best scene is alone on stage waiting for him to tie up a boat during a storm, without speaking, she gets across how worried she is that he might not return, and then hides her concern from him when he does. Elsewhere, the cast seems less certain about their difficult roles. Hermione Norris as Cherry is belligerent to a fault, and Peter Byrne as Stella's suitor polite beyond belief.

Du Maurier originally called the play *Mother*, and based the central character on Ellen Doubleday: it still bears the marks of that infatuation, although Du Maurier protested that she was not a lesbian. What she has left is a vacuum of a play filled by two good central roles.

**Comedy Theatre (071 867 1045)**

Alastair Muir

**Distrait: Susannah York**

## Theatre / Malcolm Rutherford

# Oleanna changes gear

A spectacular change of cast makes David Mamet's *Oleanna* look an even better play than when it had its British premiere at the Royal Court last July. Nothing in Mamet's text is redundant.

Here are two characters – a male professor and a not very bright female student – failing to understand each other. With the new cast there is a change in the balance of power. There is an additional gain. The juxtaposition of the student's sense of social inferiority and the professor's relative affluence, self-confidence and security has become much clearer.

When I first saw Harold Pinter's production at the Court, I noted that it was about much more than the current debate on political correctness. It was about McCarthyism, liberalism and academic freedom over the ages. I wrote, perhaps wrongly, that the gender clash was incidental to the theme: the student might just as well have been male. Now I am not so sure, for the great merit of *Oleanna* is that it can be played in all sorts of ways.

Here the social side is much stronger. The student has worked hard to get to college in the first place. She has read the professor's book in order to write her essay. True, she does not understand it, but she expects to be taught and given the rewards of a university education.

What she sees is a professor who seems at least as interested in buying a new house and securing his tenure as teaching his subject. Moreover, he has troubles with his wife and his telephone scarcely stops ringing. It does so, almost fatally at the end of the first act when the student is just beginning to become articulate.

By the start of act two, there has been a complete reversal of roles. The girl has been to her campus committee and is pursuing a case against the professor not only for sexual harassment, but also for relying on unacceptable texts.

The student's perceptions are, of course, a travesty of the truth. The professor is going out of his way to help her. Nevertheless, at her age and with her background, it is the perceptions that count, and he does in a way seem slightly smug and patronising.

None of that was so plain when the play first appeared. Not for the first time I think that Pinter's direction has improved with repeated performances. The timing of the lines – and the interruptions – has become immaculate. Just as important, the new cast is more fitted to the roles and thus allow greater scope for ambiguity about who is more at fault.

In the original production David Suchet was a rather diffident professor who would never hurt a fly except under extreme provocation. He tended to go round apologising for himself. He has been succeeded by Denis Lawson. No-one would use the word diffident about him. Lawson is tall, dark and handsome with blow-dryed hair, oozes charm and knows it. All that makes the perception of a sexual advance more plausible.

Again, in the original version the student as played by Lia Williams was a mousy, reticent figure who seemed to have been put up to her complaints by the campus committee. Michelle Fairley is quite different. She seems to be acting in her own right. Sometimes in the second act she seems genuinely frightening and believes what she is saying. Note the sting in the way she seeks to turn the tables on the professor when making a (quite false) distinction between allegations and facts.

None of that is to cast aspersions on the earlier performers. It is a tribute to the play and the production. No doubt another team could play it another way again; here, in the gender war, Lawson and Fairley come out on pretty well equal terms. But that is only my impression. *Oleanna* is so good precisely because others can reach different conclusions.

**Duke of York's Theatre. (071) 836 5122**

# INTERNATIONAL ARTS GUIDE

## ■ ATHENS

**Megaron** Sat: ERT National Symphony Orchestra and Chorus. Mon: Nana Mouskouri. Next Wed: an evening of Russian poetry. Jan 29: José van Dam. Feb 5, 6: Philharmonia Orchestra (01-728 2333/01-722 5511)

## ■ BARCELONA

**Gran Teatre del Liceu** Tonight: Uwe Mund conducts first night of Götz Friedrich's 1990 Berlin production of Hindemith's Mathis der Maler, with a cast including Albert Dohmen, Jan Blinkhof, Karan Armstrong and Cynthia Clarey (repeated Jan 23, 26, 29, Feb 1 and 4). Kathleen Kuhlmann gives a song recital on Jan 28, followed by Olga Borodina on Feb 3 (tel 412 3532 fax 412 1198)

## ■ BOLOGNA

**Teatro Communale** Tonight, Sun afternoon: Gianluigi Gelmetti conducts Roberto de Simone's production of L'Italiana in Algeri, with Bernadette Manca di Nissa, Rockwell Blake and Michele Pertusi. Mon: Truls Mork, accompanied by Jean Yves Thibaudet, plays cello sonatas. Jan 31: Hagen Quartet. Feb 2: Les Ballets de Monte Carlo. Feb 5: first night of Maria Stuarda (No telephone bookings accepted. For information, call 051-529999)

## ■ FLORENCE

● Claudio Abbado conducts Chamber Orchestra of Europe tonight at Teatro della Pergola (055-277 9236)

● Teatro Verdi presents the Paisiello and Rossini versions of Il barbiere di Siviglia over the next three weeks. Paisiello's opera opens on Sun for five performances with a cast headed by Christine Barbaux and Luca Canonici. The Rossini opens on Feb 3 with a cast including Vesselina Kasarova and Claudio Desderi (055-277 9236)

## ■ GENOA

**Teatro Carlo Felice** Jan 22, 23, 25, 27, 28, 30: Nabucco with alternating casts including Ghena Dimitrova and Leo Nucci (010-589329)

## ■ LONDON

**THEATRE**

● The Skriker: a new play by Caryl Churchill, directed by Les Waters with music by Judith Weir and movement by Ian Spink. Starts previewing tonight in the Cottesloe, opens next Thurs (National 071-928 2252)

● Machinal: Fiona Shaw stars in Stephen Daldry's production of Sophie Treadwell's 1928 play about a young woman driven to murder. In repertory at the Lyttelton with Sondheim's musical comedy Sweeney Todd (National 071-928 2252)

● Unfinished Business: Stephen Pimlott directs Michael Hastings' new play for the RSC. Just opened (The Pit 071-638 8891)

● Macbeth: Derek Jacobi as Shakespeare's Scottish king, in an RSC production directed by Adrian Noble (Barbican 071-638 8891)

● An Absolute Turkey: Felicity Kendall and Griff Rhys Jones in a Peter Hall Company production of Feydeau's farce (Globe 071-494 5067)

● Piaf: Elaine Page stars in Pam Gems' musical play about the life and times of Edith Piaf. Directed by Peter Hall (Piccadilly 071-867 1118)

● Cabaret: Sam Mendes directs one of the great modern musicals, with Jane Horrock as Sally Bowles and Alan Cummings as Emcee at the Kit Kat Club (Donmar Warehouse 071-867 1150)

**MUSIC/DANCE**

**Covent Garden** Jeffrey Tate conducts tomorrow's revival of the Royal Opera's production of Carmen, with Denyce Graves, Leontina Vaduva, Neil Shicoff and Barseg Tumanyan (till Feb 2). Christian Thielemann conducts a rveival of Elektra next Wed, with Eva Marton, Marjana Lipovsek and Nadine Secunde (till Feb 17). The Royal Ballet has two Kenneth MacMillan ballets - Romeo and Juliet (till Jan 25) and Mayerling (till Feb 5). Opera North brings its production of Britten's Gloriana on Feb 7 and 10 (071-240 1066)

**Coliseum** ENO has a revival of Nicholas Hytner's production of Xerxes with a cast led by Louise Winter and Yvonne Kenny (till Feb 24), Die Fledermaus with Vivian Tierney as Rosalinda (till Feb 10) and a final performance tonight of Smetana's The Two Widows. Jonathan Miller's new production of Der Rosenkavalier opens on Feb 2 (071-836 3161)

**South Bank Centre** Final performances of Ben Stevenson's English National Ballet production of The Nutcracker are tonight, tomorrow and Sat. Tonight (QEH): The Sixteen sing Purcell. Mon: Franz Welser-Möst conducts LPO in music by Schumann and the Strauss family. Tues: Paolo Olmi conducts Verdi's Requiem. Wed: Jochen Kowalski is counter-tenor soloist with Academy of St Martin in the Fields. Next Thurs: LPO plays new Jonathan Lloyd work (071-928 8800)

**Barbican** This weekend is devoted to the music of John Tavener, in celebration of his 50th birthday. Performances take place at the Barbican, Westminster Abbey and Westminster Cathedral, and feature the BBC Symphony Orchestra under Gennady Rozhdestvensky, BBC Singers and Chilingirian Quartet. Mon: Stephane Grappeli. Next Thurs: Previn conducts LSO (071-638 8891)

## ■ MADRID

**Auditorio Nacional de Musica** Tonight: José Orti trumpet recital. Tomorrow, Sat, Sun: Aldo Ceccato conducts Spanish National Orchestra in works by Maseda, Stravinsky and Tchaikovsky, with piano soloist Jean-Bernard Pommier. Next Tues: Rafael Ramos cello recital (01-337 0100)

**Teatro Lirico La Zarzuela** Sat: Antoni Ros Marba conducts first night of Pilar Miro's production of Der Freischütz, with Poul Elming, Siegfried Lorenz, Ekkehard Wlaschiha and Eva Johansson. Repeated Jan 24, 26, 28, 30 (01-429 8225)

## ■ MILAN

**Teatro alla Scala** Tonight, Sun afternoon, next Tues, Wed, Fri: Riccardo Chailly conducts Giancarlo Cobelli's production of The Fiery Angel, with Galina Gorchakova, Sergei Leiferkus and Paata Burchuladze. Tomorrow, Sat, next Thurs and Sat: Nureyev production of Sleeping Beauty. Mon: Orchestra Filarmonica della Scala (02-7200 3744)

## ■ NAPLES

**Teatro delle Palme** Tonight: Leonid Kavakos violin recital. Next Fri: Hagen Quartet (081-406011)

**Teatro San Carlo** Tomorrow, Sun, next Wed and Sat: La traviata with Giusy Devinu, Vincenzo La Scola and Roberto Servile (081-797 2331)

## ■ PRAGUE

Hideaki Muto conducts Czech Radio Symphony Orchestra in works by Verdi, Mendelssohn and Tchaikovsky next Tues in Dvorak Hall. Martin Turnovsky conducts Prague Symphony Orchestra in works by Petr Eben, Dvorak and Janacek next Wed in Smetana Hall (02-232 2501). The next Czech Philharmonic concerts are on Jan 28 and 29 (02-286 0111)

## ■ ROME

**Teatro Olimpico** Tonight: Bartok Quartet plays Beethoven. Next Thurs: Hagen Quartet (06-320 1752)

**Teatro Valle** Sun, Mon, Tues: Krzysztof Penderecki conducts Orchestra and Chorus of the Accademia di Santa Cecilia in Dvorak's Requiem (06-678 0742/ 06-6880 3794)

**Teatro Il Sistina** Sun: I Virtuosi di Santa Cecilia play chamber music by Mozart, Beethoven and Naumann. Jan 30: Pekinel Sisters (06-5734 4664)

**Universita La Sapienza** Sat: Cherubini Quartet plays string quartets by Mendelssohn and Schumann. Jan 29: Lynn Harrell (06-361 0051)

## ■ TRIESTE

**Teatro Communale** Tonight: first night of new production of Der Freischütz. Runs daily with alternating casts till Feb 1, except Jan 24, 27, 28 and 31 (040-6722 111)

## ■ VENICE

**Teatro La Fenice** The next opera production is John Schlesinger's Covent Garden staging of Les Contes d'Hoffmann, opening Feb 3 for six performances (041-521 0161)

### ARTS GUIDE

**Monday:** Berlin, New York and Paris.
**Tuesday:** Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
**Wednesday:** France, Germany, Scandinavia.
**Thursday:** Italy, Spain, Athens, London, Prague.
**Friday:** Exhibitions Guide.

### European Cable and Satellite Business TV

(Central European Time)

**MONDAY TO FRIDAY**
**Super Channel:** European Business Today 2230; repeated 0630, 0715
**MONDAY**
**Super Channel:** FT Reports 1230.
**TUESDAY**
**Super Channel:** West of Moscow 1230
**Euronews:** FT Reports 0745, 1315, 1545, 1845, 2345
**WEDNESDAY**
**Super Channel:** FT Reports 1230
**THURSDAY**
**Super Channel:** West of Moscow 1230; FT Reports 2130
**Euronews** 0745, 1315, 1545, 1845
**FRIDAY**
**Super Channel:** FT Reports 1230
**Sky News:** FT Reports 2030
**SATURDAY**
**Sky News:** 0330; 1330
**SUNDAY**
**Super Channel:** FT Reports 2230
**Sky News:** FT Reports 1730; 0430

# A not inconsiderable similarity, oh yes

BOOK REVIEW

**THE GLOBAL MARKETPLACE: CAPITALISM AND ITS FUTURE**
**By John Redwood**
*HarperCollins, £18, 243 pages*

John Redwood is reputed to be one of the "bastards" in John Major's cabinet whom the prime minister cannot dismiss because he might cause more trouble outside than in. Here is a Redwood manifesto, written just before he entered the cabinet as Welsh secretary last year.

Save on one subject, which could yet be lethal, the evidence is that Mr Major has nothing to fear. Indeed it seems unlikely that a prime minister who makes cabinet changes so seldom, and none of them sweeping, could deliberately introduce a new face with whom he would be at loggerheads on all issues: otherwise, it would look like carelessness. One of the striking facts to emerge from the book is how, on most subjects, Redwood, the fellow of All Soul's, and Major, the leader without any academic qualifications, think alike.

Ignore the slightly pretentious title, *The Global Market-Place*, and the much more pretentious subtitle, *Capitalism and its Future*. This is not a book about economics, but a way of life. Global capitalism comes into it only in the sense that modern communications and a free-ish trade system make it possible to operate successfully without great concentrations of labour. In another decade the theme would have been "small is beautiful", though perhaps with an overarching international framework.

On social policy, Redwood observes the conventional pieties. "Popular capitalism" – incidentally the title of his previous book – "believes that there is a role for the state. The state should be able to guarantee a basic standard of pension and national insurance protection to all."

He thinks that the divide between left and right over public expenditure and taxation has become less than is sometimes assumed. "Right-wing parties accept the role of taxation in redistributing income and in financing public services for those in need... The debate is over degree and the correct mix." Denis Healey used to say much the same thing as chancellor in the 1970s.

The phrase "back to basics" is used only once. Here again the prime minister has no need to worry. Redwood applies it to education, not personal morality. Even then, he is strikingly liberal. While he favours a tilt back towards better "teaching, testing and measurement of results", he is sympathetic to allowing children to work "in a relaxed atmosphere at their own pace".

There is also a more conservative side to his thinking. Redwood has no interest in constitutional reform of any kind. He thinks that the British parliamentary system in its present form works better than any other. He believes that, while there should be more *local* government, any introduction of *regional* government would be a threat to the centre and must therefore be opposed.

On the current state of London, he observes: "The government has established a cabinet committee to take those decisions that need a London-wide view (transport, planning and development are just three areas which require such a perspective). The private forum on London will promote the metropolis as an international centre for business, trade and inward investment." And that, he says, is enough: no more Ken Livingstones, no elected mayor, for in London central government knows best.

Redwood is also curiously sympathetic to the Labour party. This is not because of its policies, though he admits that those have evolved. It is because he believes so firmly in a two-party system. The Labour party must be kept going, and occasionally even elected, if only to avoid the chaos of a hung parliament and coalitions. Such chaos, he suggests, is manifest all over the European continent.

At times, the Redwood doctrine can sound harsh. "In advanced western societies," he writes, "there will never be enough people on income support, enough people from ethnic minorities, enough homeless, to forge a winning coalition from policies that try to deal with their specific interests. A winning coalition requires the vote of many who go to work on time, who pay their taxes, who save for their old age, who do not wish the state to be too intrusive."

In all these statements, there is no reason to believe that the thoughts of John Redwood are much different from the thoughts of John Major. They are, after all, both youngish Conservatives and members of the same cabinet. Where they may be wrong is in turning their backs completely on constitutional reform. How about a smaller parliament, for example? And it may begin to look like foolishness to ignore the rise of the Liberal Democrats in the south of the country. The party is scarcely even mentioned in the course of the book.

Where Major and Redwood differ fundamentally, however, is on Europe. Redwood's chapter on the European Community is sneering, dismissive and arrogantly ignorant of the forces that brought the continental countries together. "The United Kingdom in the early 1970s," he claims, "thought it was entering a kind of free trade arrangement." Nobody who had read the Treaty of Rome could conceivably have thought any such thing. Since then, Redwood argues, the Community has consistently got in the way of British interests.

There are elections to the European parliament in June. The Conservative party will have to publish a manifesto. Cabinet ministers will have to campaign to try to prevent a significant loss of Tory seats. The previous European elections were the first serious set-back at the polls suffered by Margaret Thatcher. For the present prime minister, it could be worse. What is John Redwood going to say in the campaign, and John Major too, come to that?

**Malcolm Rutherford**

ECONOMIC VIEWPOINT

# The UK upturn is genuine, but...

**By Samuel Brittan**

I pity anyone trying to make up his mind about the trend of the British or any other economy on the basis of the spot indicators which appear every few days. The industrial production index published on Monday looked like "boom, boom Britain". Then the December retail sales published yesterday were judged to be "disappointing". This last instant judgement restarted misguided speculation on base-rate cuts, which served the government's purpose as they took a little bit of the froth out of the upward movement in sterling.

Some readers may remember my "Teenagers' Guides" to key indicators. Their main purpose was to provide a do-it-yourself guide to interested readers. The first clue is the familiar Whitehall warning not to take a single month's figures on their own – which does not mean ignoring them, but seeing what effect they have on previous trends. Another clue is to take together indicators on related subjects.

*Most important, one has to* be wise to the snags in particular series. An example is North Sea oil. This is a genuine part of UK output and not the mirage that the more puritanical commentators suppose. But it just so happens that oil output moves in a jerky manner as rigs are taken in and out of action. This bug affects both the production index and gross domestic product.

I am not normally accused of partiality towards manufacturing; but for this reason the *index of manufacturing output*, which excludes energy, is a much better guide than the total index of production. For instance the production index increased at an annualised rate of almost 5 per cent in the three months to November. Manufacturing alone increased at an annualised rate of 3.2 per cent, and 1.8 per cent over the same period a year before. The best guess lies somewhere in the 2-3 per cent range.

This caution will be especially necessary when the Central Statistical Office's flash estimate of fourth quarter GDP is published tomorrow. Search for the estimate excluding the North Sea sector, and show the door to any adviser or analyst who overlooks the distinction.

*The broad picture is already* clear. It is of an economic recovery which Kenneth Clarke, the chancellor, says is no longer even patchy. Inflation remains subdued; the core rate, excluding excise duties as as well as mortgage interest payments, has almost certainly fallen further.

*The big question is how far* the delayed tax increases imposed in the two 1993 Budgets are going to depress consumer spending. The Treasury Committee rightly criticised the fiscal presentation of the last Budget as being peculiarly difficult to fathom.

The adjoining table is an attempt to fill the gap by one of the Committee's advisers, Bill Martin. He argues that the spending cuts, up to and including 1995, are due to lower unemployment and inflation than previously projected rather than real reductions. But, even taking spending cuts at their face value, tax increases are overwhelmingly more important in the government's deficit reduction plan.

The Committee's report emphasises the severity of the tax increases by saying they were equivalent to a 7 per cent increase in the basic rate. Martin on the other hand, *maintains that they are less* than the increases in Geoffrey Howe's controversial 1981 Budget imposed at the trough of the earlier recession. The moral he draws is that the short-run impact of even large budgetary shocks can easily be outweighed by other business cycle forces. This time Martin believes that the delayed impact of the post-exchange rate mechanism interest rate cuts will more than offset the fiscal contraction.

I make no apology for having opposed a large fiscal contraction when the recovery seemed modest. But having now decreed such contraction then, it would be absurd for the authorities to counteract it now by still further interest *rate reductions, until the* effects of the main direct tax increases can be seen in the coming financial year.

A much more controversial assertion of Martin is that there is little, if any, excess capacity so that the scope for high growth rates is small. He also believes that despite the 1993 Budgets there is still a large structural deficit and a potentially catastrophic balance of payments. He advocates further large-scale tax increases or public spending cuts combined with currency depreciation at favourable opportunities.

These matters are not merely uncertain, as he admits, but inherently unknowable. So let me concentrate on the capacity point and the relevance to it of the declining unemployment trend. This is shown both by the Department of Employment's employer-based series and the new Labour Force Survey (LFS). The unemployment rise registered in it in the middle of last year was almost certainly a blip in the downward trend.

Because employment estimates lag well behind the unemployment claimants' count, it is impossible to be sure what produced the fall in the latter. Evidence in 1993 up to last summer suggests that there was a net increase in jobs and not just a movement out of the labour force registered as available for work.

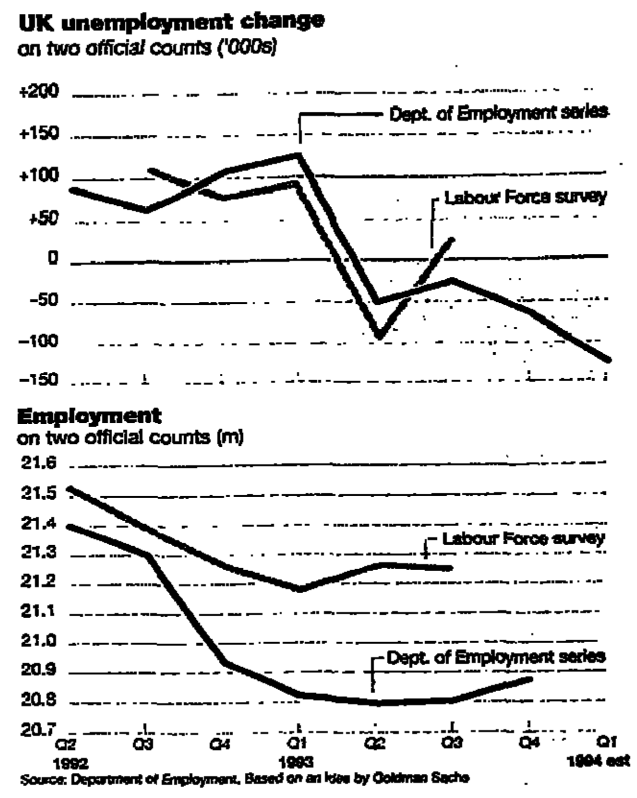
Economic observers without political points to make have a special concern. For it is unusual to have either a drop in unemployment or a rise in employment so early in what is billed as a moderate upturn. David Walton of Goldman Sachs suggests that half of the difference compared with the 1980s represents a slower demographic growth of the labour force, leaving the other half still to explain. The most favourable interpretation is that the upturn is more vigorous than the official figures so far suggest. In that case, and if it continued, *the economy* could stand some of Martin's further fiscal tightening. The most unfavourable interpretation is that productivity growth is already slowing down strongly.

The truth may be somewhere in between. The recovery is probably sharper than realised. On the other hand, earlier productivity estimates were probably inflated by an underestimate of the labour force, which has been picked up by the LFS.

The rise in employment up to last summer is more than accounted for by the increase in part-time jobs, most of which went to women. These jobs should not be scoffed at as second-rate or ungenuine. Only 13 per cent of respondents told the LFS that they took these jobs for lack of a full-time one. But their spread does suggest that inflationary pressures in the labour market are much less than the headline unemployment figures suggest.

Bottlenecks in the present upturn are indeed more likely to arise from the capacity than the labour side. Unfortunately most studies of capacity relate to manufacturing, which is less than a quarter of the total economy. Capacity in the rest of the economy is much more elusive, as exchanges between officials and the Treasury Committee bring out, and no one has even really tried to measure it.

Taking both the exchange rate factors which I analysed last week and the domestic ones, there is no case for either a loosening or tightening of policy now. But both the stance and the mix could need to be changed as the year goes on. Acting in time should not be confused with the sin of fine-tuning.



Source: Department of Employment. Based on an idea by Goldman Sachs

**Direct effect of Budget measures (% of GDP)**

| FY | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|
| Lamont | 0.1 | 1.0 | 1.4 | 1.6 |
| Clarke* | - | 0.8 | 0.9 | 1.2 |
| Total | 0.1 | 1.8 | 2.3 | 2.8 |
| of which: | | | | |
| Tax increase | 0.1 | 1.3 | 2.1 | 2.4 |
| Expenditure cut | - | 0.5 | 0.2 | 0.4 |

* Excluding debt interest saving to ensure comparability with March Budget figures. Inclusive of stated debt interest saving, total fiscal package by 1996 is worth 3.0 % of GDP. Source: Treasury Committee, Bill Martin



# LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## Alarming view of past events

*From Mr Andrew Stuttaford.*

Sir, In his article "Return to the Family" (January 14) Simon Holberton quotes Mr Tsang, chairman of a "pro-Beijing" grouping within Hong Kong, describing his first visit to China, an event that took place in 1965. "It was love at first sight. I talked to older people and to younger ones like me. They were all inspired by some higher goals that were simply lacking in Hong Kong."

It is perhaps worth recalling that 1966 saw the beginning of the cultural revolution. People may well have been inspired by Mao's contrived fanaticism, but the most visible "higher goals" were the persecution and slaughter of imaginary "class enemies".

Mr Tsang's enthusiastic response might, perhaps, have been understandable in an over-excited 19-year-old. The fact that, nearly 30 years later, he can, without apparent remorse, recall and by implication even endorse those feelings is repellent. Given that Mr Tsang may presumably achieve some power in post-1997 Hong Kong, it is also highly alarming, at least for those who may be unfortunate enough to live under him.

Andrew Stuttaford,
*245 Park Avenue,*
*New York,*
*NY 10167,*
*US*

## All just an illusion?

*From Mr Richard Kevern.*

Sir, Joe Rogaly appears to have left the FT and joined the Socialist Worker ("It *is* a moral issue", January 18). Apparently all Anglo-American capitalism is good for is smashing everything and pouring scorn on professors and social workers.

Clearly, the failure of collectivism and the success of free market capitalism worldwide is an illusion foisted on us by the evil Thatcher and her cronies. Come back the 1970s, all is forgiven!

Richard Kevern,
*14 Wraysbury Park Drive,*
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*Hampshire PO10 7UU*

## Why it is right to link trade policy to labour standards

*From Mr John Monks.*

Sir, Your editorial, "Mr Clinton's trade agenda" (January 14), arguing that it is wrong to link trade policy to the observance of minimum labour standards, misses the point.

The Trades Union Congress has advocated a social clause in trade agreements to tackle some of the worst abuses of workers' rights, including forced labour and cruel exploitation of children. With other national trade union confederations, in industrialised and developing countries alike, we want to eliminate appalling situations such as those which prevail, for example, in China, where in four separate factories in the last two months more than 220 workers have been killed in fires and explosions.

Where such abuses are linked to trade, it is reasonable to use trade instruments to address them and we would not be asking anything more than states have already committed themselves to through their membership of the International Labour Organisation.

Your editorial is right to say that this would not eliminate the competitive threat posed by cheap labour countries. But that is not the purpose. Rather, it is aimed at encouraging a positive improvement of employment conditions in the exporting countries. As a consequence, it would also help to distribute the benefits of trade more fairly within the countries themselves, ultimately benefiting their own growth and the expansion of world trade generally.

If there is a danger that a social clause could become an excuse for protectionism, as your editorial suggests, then it arises for each country or group of countries acting on its own. The surest way of avoiding the protectionist danger would be to reach agreement on a multilateral basis, through the General Agreement on Tariffs and Trade machinery which includes the developing countries, rather than to ignore the problem altogether.

John Monks,
*general secretary,*
*Trades Union Congress,*
*Congress House,*
*Great Russell Street,*
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## A desirable reform

*From Mr John Wyles.*

Sir, Why would it be "unthinkable" for member states to compensate farmers for price reductions from their own treasuries? Mr Terry Wynn MEP (Letters, January 18) says such a move would be to "renationalise" the Common Agricultural Policy. On the contrary, it could be part of a highly desirable reform whose other main element would be a steady reduction in EU farm prices until they are in line with world prices.

The impact on some farmers – mainly those operating small, barely profitable holdings – would be a social problem requiring social policies to be devised by member states. Why on earth should the EU embrace Mr Wynn's idea of one-off transferable bonds to compensate farmers when it would never dream of such a benefit for any other victims of industrial restructuring?

The EU's social and environmental objectives for agriculture are no longer being served by the CAP. If these were left to member governments, subsidiarity would be made flesh and national democracies strengthened. Responsibility for agricultural trade would remain with the Union, as would the application of competition policy. The EU would become a good world citizen, surpluses would disappear, environmental damage be much reduced, a source of rows between member states eliminated and a major obstacle removed to membership of the Union for central and eastern European countries.

John Wyles,
*European Communications,*
*79 Avenue des Nerviens, Bte 1,*
*B-1040 Brussels, Belgium*

## Beyond the short term

*From Mr David Howell MP.*

Sir, In your editorial, "The case for lower rates" (January 13), you come quite close to suggesting that short-term interest rates should be cut for short-term political purposes.

Surely we have moved on from all that. My understanding is that short-term rate changes are now decided predominately by the monetary authority – and a good thing too. Those decisions should be de-politicised as much as possible, although the break can never be complete.

Ultimately, as your editorial rightly concludes, the answer is greater bank independence *à la française*.

In the meantime, I hope that the idea of adjusting interest rates in response to political flows and eddies is buried, as it should have been long ago.

David Howell,
*House of Commons,*
*Westminster*
*London SW1A 0AA*

## Warranty issue to be considered

*From Mr Dermod Hill.*

Sir, Your report headed "OFT to probe sales of electrical warranties" (January 18) is premature and therefore misleading.

The director-general of fair trading has been asked by government ministers to consider whether the practice of some retailers of promoting their own extended warranty schemes should be investigated as a breach of the Restrictive Trade Practices Act. This was alleged in a recent parliamentary question by Mr Nigel Griffiths MP.

The Office of Fair Trading is therefore considering the issue and the director-general will reach a conclusion in due course. Your report that we are making inquiries with a view to launching an investigation pre-empts the actual position which is to determine whether or not an investigation is necessary.

Dermod Hill,
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FINANCIAL TIMES

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Thursday January 20 1994

# First blood in red tape war

Red tape is like jungle undergrowth. From time to time, politicians hack it back in their frustration. But as soon as their attention is distracted, the red tape creeps back again.

The British government yesterday announced measures, including a deregulation bill, designed to put its campaign against red tape on a permanent footing. Not only have ministers drawn up a hit-list of regulations to be scrapped. Procedures are to be adopted to stop regulation creeping back.

Cutting red tape is important if business is to be free to focus on wealth creation. Small businesses, in particular, find constant form-filling saps their energy and diverts them from running their companies.

Much of the blame for over regulation has been attributed to Brussels. But Whitehall is as big a culprit, often elaborating European directives with reams of detailed prescriptions. There is also a tendency to respond to the latest scandal or disaster by drawing up regulations without assessing costs. The result is that, though the Tories have promised to cut red tape since they came into power in 1979, regulation is more pervasive than ever.

Hence the need for a new approach. The centrepiece of this is a plan for ministers to be given so-called Henry VIII powers, allowing them to scrap many regulations without having to pass new primary legislation. The aim of this fast-track procedure is to clear out the accumulated mass of out-of-date rules without clogging up the parliamentary timetable.

Other measures include a promise that new regulations will be subjected to a "small business litmus test". This will involve consulting with two or three typical small firms to ensure that the cost of complying with rules does not outweigh the benefits. There will also be a new deregulation task force under Mr Francis Maude, the former junior minister, to drive the initiative forward.

The most controversial measure is undoubtedly the proposed Henry VIII power. The government has sought to deflect criticism that it is seeking to rule by decree by building in safeguards over how this power will be exercised. Before a regulation is scrapped, there will be public consultation, a breathing space of 40 days and debates in both houses of parliament. While this procedure will take the sting out of the criticism that ministers are behaving undemocratically, more could be done to ensure accountability. For example, a new select committee or standing committee for deregulation could be established to scrutinise ministerial proposals in detail.

By contrast, the government's hit-list of regulations to be abolished is not that controversial. Some of the most useful, such as the promise to scrap compulsory audits for companies with a turnover of under £90,000, have already been announced. Other proposals, such as that permitting Scottish barbers to open on Sundays, are small beer.

The main political fights will come when ministers address health and safety regulations. These were not tackled yesterday because the government is still waiting for conclusions from a Health and Safety Executive study. While ministers claim they are not deliberately ducking the issue, the absence of specific proposals in this area should certainly help smooth the passage of the legislation.

Though the government has taken a welcome first step in its deregulation initiative, there is no guarantee of success. The challenge will be to maintain momentum.

# Old thinking

In December 1992 Mr Andrei Kozyrev, the Russian foreign minister, stunned the world with a fiercely nationalistic speech. He publicly renounced previous pro-western policies, demanded an end to the arms embargo on Serbia, and accused western countries of planning to strengthen their military presence in the Baltic and other regions "on the territory of the former Soviet Union".

Forty-five minutes later he announced that it had all been a hoax, intended to warn the west what sort of foreign policy it could expect if President Boris Yeltsin were to fall. Neither Mr Yeltsin "nor I myself, as minister for foreign affairs, would ever agree with what I read out in my previous statement", he added.

Not everyone saw the joke at the time, and it has become steadily less amusing since. The Mr Kozyrev who is still foreign minister in 1994 sounds more like the "hoax" than the "real" Mr Kozyrev of 1992. Russian troops should not withdraw, he declared on Tuesday, from regions "which have been in the sphere of Russian interests for centuries".

Both main Russian news agencies reported this statement as including the Baltic states, which would have directly contradicted assurances given to President Bill Clinton by Mr Yeltsin last week. Let us hope the agencies were mistaken, as Mr Kozyrev's office yesterday insisted they were. Even so the language used is chilling, as is the blithe assumption that Russian interests must prevail over the wishes of neighbouring states which Russia has recognised as sovereign. If Mr Kozyrev wanted to put the case for an enlarged Nato, with guarantees to states that feel threatened by Russia, he could hardly have done it better.

# Strife in Mexico

The new year rebellion in southern Mexico has subsided for the moment, but the aftershocks will reverberate beyond presidential elections due in August. Unless Mexican leaders reach the right conclusions about their authoritarian political system, the remarkable economic progress they have made in recent years will be in jeopardy.

It is no accident that the peasant uprising occurred in the state of Chiapas, Mexico's most oppressed and impoverished corner where the ruling Institutional Revolutionary Party regularly polls 90 per cent of electoral votes. The events are a reminder that much of Mexico is decades away from the image of a modern society that President Carlos Salinas cultivated as part of his campaign to secure the North American Free Trade Agreement. They underline that many Mexicans have been left behind by his economic reform programme and remain deeply suspicious of it.

Mr Salinas must take his share of responsibility for the crisis. He ignored indications of impending insurgency, apparently fearful of drawing attention to an issue that could have affected the Nafta vote last November in the US. He tolerated one of the most autocratic state governments in Mexico, which repressed, sometimes brutally, even peaceful opposition. It was he who a year ago promoted the previous governor – the hardline Mr Patrocinio Gonzalez Garrido – to head the country's interior ministry.

The president has now sacked Mr Gonzalez Garrido. His initial response – to suppress the uprising by military force – has given way to a more conciliatory approach, encouraged perhaps by the international scrutiny that has followed his attempt to integrate Mexico into the world economy.

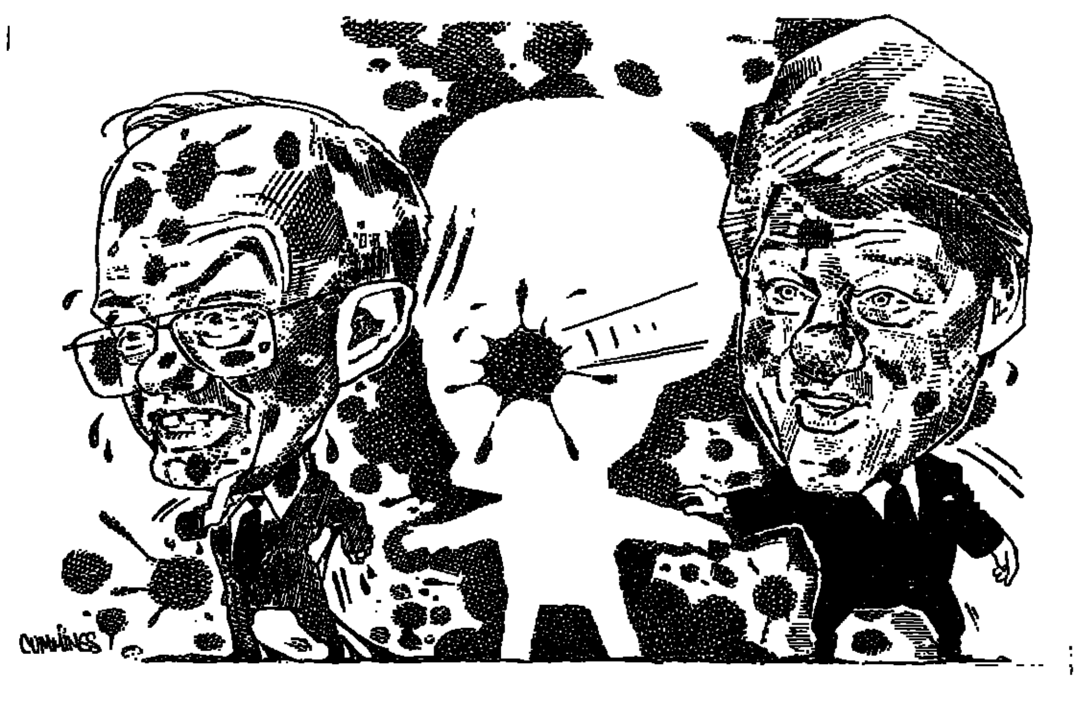
But Mr Salinas and his designated candidate for the presidential elections, Mr Luis Donaldo Colosio, need to draw more fundamental lessons from the uprising. The conditions that led to the crisis in Chiapas are to a greater or lesser extent present in the rest of Mexico. Whatever Mr Salinas's successes in economic reform, much of Mexico's public administration remains arrogant, corrupt and unresponsive to popular needs. What is more, Mexicans have few rights of redress against the excesses of government, the police or the military; the legal system is arbitrary, inefficient and under the government's thumb.

Mr Salinas has tried to draw a tidy line between economic and political reform: he has embraced the former and tried to fend off the latter. But Chiapas shows economic development in Latin America cannot be superimposed on to a political system which in some ways verges on the feudal. International investors – central to Mexico's development – avoid countries riven by social strife. Mexico's authoritarian approach no longer supports the necessary task of modernising Mexico's economy – if it ever did. It has weakened the process and deprived it of legitimacy.

Surprisingly, Mr Colosio, the presidential candidate, has given no indication of his views on the current crisis. He has spoken in the past about decentralising government, but – given what Chiapas indicates about the quality of Mexico's regional governments – that raises more questions than it answers. He needs to give a lead now, one that points Mexico firmly towards true democracy and respect for the rule of law. Without such an initiative, the spectre of social upheaval will continue to threaten Mr Salinas's bold attempt to modernise his country.

# Mud-flinging finds vulnerable targets

## The withdrawal of Clinton's defence-secretary nominee highlights White House troubles, says Jurek Martin




If the manner of Bobby Ray Inman's acceptance last month of President Bill Clinton's offer to run the defence department was peculiar (he arrogantly said he had to find a "comfort level" with the president and then gratuitously added he had voted for George Bush), then his performance on Tuesday explaining why he was withdrawing the nomination was downright bizarre.

But sometimes messengers do come in strange forms. And in the near-paranoid rationale that Mr Inman offered – accusing the media and politicians alike of a "modern McCarthyism" and saying that he was unwilling to accept the "garbage" of scrutiny that now came with public service – there could be found some truths that ought to trouble both the president and the Washington establishment.

Among them are the chronic problems this administration has in making senior appointments, especially in the foreign and security fields; the extent to which the minutiae of an individual's private life can be considered disqualifications for government service; and the curious phenomenon that this president seems snake-bitten, unable to string together for more than a few weeks a confidence-building record without being stuck in some poisonous new controversy or another.

The most immediate concern is Mr Clinton's own "comfort level" with the US military establishment, now awaiting a third secretary of defence in a year. This is, after all, a president who never served in uniform and who opposed the war in Vietnam, but who has already asked much of his military – to end its ban on homosexuals, to cut its budget and bases, to realign its force structure, to serve in distant hot spots not always with clear direction, as in Somalia, and to cohabit, in Nato's Partnership for Peace, with old foes from the former Warsaw Pact.

Les Aspin, the outgoing secretary, was somehow thought not quite up to implementing these policies. Mr Inman, a veteran of the Navy, the CIA and the shadowy Washington intelligence community, was almost universally seen as the perfect solution. Even though he had been out of government since 1982, he was always breezing into the capital from Texas, keeping his many contacts alive. Even a less than glittering business career, including association with James Guerin's International Signals and Controls, seemed a minor matter in the eyes of Congress, because it thought it knew him.

Yet the truth seems to be that the Clinton team's knowledge of Mr Inman was confined to his résumé and secondhand reputation. Perhaps the president himself, so proud of his own persuasive abilities, missed warning signals when the two men first talked about the job. But perhaps the admiral never revealed then what he said on Tuesday: that he had lost his enthusiasm for military affairs and, in any case, had reservations about the extent of the cuts in the defence budget.

Whatever the reality, Mr Clinton ended up with the worst of both worlds: having nominated a man who would have been unsackable in office, he had no control over his extraordinary second thoughts about taking the position at all. Presidents are not supposed to get themselves into this sort of bind.

As it now stands, the civilian command at the Pentagon is in disarray. The Aspin team, never fully complete anyway, expected to be dismembered by Mr Inman and one of them, Morton Halperin, nominated but never confirmed to run a new peacekeeping and human rights division, had already fallen on his sword and withdrawn. The military side, too, is under the new management of General John Shalikashvili, chairman of the joint chiefs. The ship is not happy, whether the men are wearing suits or uniforms.

The same is true, to a degree, of the state department, where prominent heads have either rolled – Clifton Wharton, ex-deputy secretary, Samuel Lewis, ex-policy planning chief, and Warren Zimmerman, ex-head of refugee programmes – or are hanging by a thread, like Tim Wirth. The former senator from Colorado was appointed to run a new division for global affairs, but its authorisation is still held up by congressional conservatives, and Warren Christopher, secretary of state, is believed to be growing cool to the reorganisation, preferring instead a department run by regional tsars and new stars like Strobe Talbott, the deputy secretary-designate.

Second, the Inman affair highlights the appalling selection problems the Clinton administration has encountered, many of its own making. Ever since Ms Zoe Baird, the first nominee to be attorney general, fell foul of Nannygate a year ago, the White House has been running scared of skeletons in closets, including, as Mr Inman noted, memberships of clubs that are not politically correct. At the same time, it has continued to insist on putting forward minority and women candidates for as many positions as possible.

The extensive nature of the background checks on prospective nominees has acquired a intrusiveness capable of discouraging those with far thicker skins than Mr Inman. Worse, the White House personnel office, directed by Bruce Lindsey, an old presidential friend, and through which appointments pass en route to the Oval Office, has been almost cruelly self-indulgent in allowing candidate files to stack up without response, as any number of bitter denizens of Washington will attest.

Additionally, conservative politicians and their media allies, copying the tactics of their liberal counterparts in the Reagan-Bush presidencies, have relentlessly pursued those they dislike – like Mr Halperin and Lani Guinier, nominated to the justice department's civil rights division. In the process, they have discovered that the current administration is not always prepared to fight for those it wants on board. Thus, as it enters its second year, barely half of the nearly 1,000 senior jobs subject to Senate confirmation have been actually filled, a sorry record that does the administration's reputation in the capital no good.

Third, Mr Inman's assault on the press, specifically the New York Times and William Safire, its columnist, suggests one of two things: that he could not stand the heat of criticism – on the basis of his press conference an entirely reasonable conclusion and an indictment of the president for picking him for such an important position; or that media headhunting has lost all sense of proportion, which is at least arguable.

Mr Inman did not exactly help his own case by saying he believed there was an unholy conspiracy between Senator Bob Dole, the Republican leader, and Mr Safire, whereby the politician would create trouble for his nomination and the columnist would go after the Whitewater affair, the tangled skein of the Clintons' Arkansas real estate venture.

But their natural denial of any such complicity cannot disguise the fact that relations between the media, particularly the White House press corps, and the president are still sour, and were made no better in Europe last week by Mr Clinton's refusal to answer Whitewater questions. The White House media charm offensive, including remarkable access to the president's table and private movie theatre, has not succeeded, but perhaps it never could have in the current media mood. The tenor of much of its coverage of his European tour was reflexively critical, and even if many reporters have doubts about the seriousness of Whitewater they are now almost duty-bound to pursue this classic paper chase.

This hostility still does not approach the current UK level, perhaps because Mr Clinton's poll standings are more than twice as high as John Major's. But praising the president is not popular in macho media circles, as witnessed this week in a singularly nasty attack in the Washington Post on a New Yorker magazine writer for producing "cream puffs" about the president's first year.

Mr Clinton may console himself that he is well rid of the bizarre Bobby Ray Inman, but he is still left with a problem. He may have no alternative but to follow the practice of Capt Renault in *Casablanca*, round up the usual suspects and hope that one of them actually wants the job. It is not a good way to start a second year in office.

# Why the west must plug Russia's gap

PERSONAL VIEW

In spite of the soothing voices of the experts, it is time to start panicking about Russia. There is still time to stop the fascists from taking power. But if they do, the west will, at the very least, have to engage in an extremely expensive policy of containment. Just as a botched peace after the first world war led to the second, so a botched peace after the cold war will lead to a second cold war, unless Russia's transition to a reasonably prosperous and stable society is managed successfully.

It is thus of vital western strategic interest to help Russians achieve this transition. The first thing to be done is to take western management of assistance to Russia out of the hands of the International Monetary Fund and the World Bank. The international financial organisations can continue providing technical support for the reforms, but the key decisions must be political – it is unfair to ask international bureaucrats, however talented, to make decisions requiring them to bend, if not violate, the operating procedures of their institutions.

Aid for Russia is politically motivated, and there should be little pretence it is otherwise. It should be large scale, of the order of $30bn a year for about five years, so that Russian voters will be clear that, if they vote in a fascist or nationalist-communist government, they will lose this aid and cause themselves significant economic loss. The aid should be in the form of grants – to avoid nationalist claims that Russia could improve its situation by repudiating its debt. Finally, it should be carefully politically targeted.

The west as a whole can afford such expenditure, which amounts to some 7 per cent of total western defence expenditure, or one-fifth of 1 per cent of total western gross domestic product. It works out at about $50 (£30) per person a year.

It is not true that such aid can make no difference to the situation in Russia. At the current exchange rate, $30bn would increase Russia's GDP by some 12 per cent. Russian healthcare expenditure totals about 3 per cent of GDP, while remaining social expenditure accounts for about 9 per cent.

A priority must be to improve the living standards of Russia's officer class, which voted massively for Vladimir Zhirinovsky, the ultra-nationalist Liberal Democrat leader. Every married officer should be guaranteed a flat within five years. At present there are cases of full colonels with families living in squalid two-room accommodation inside hospitals. With 250,000 commissioned officers in the army, the programme would cost less than $10bn.

**It is of the most vital western strategic interest to help the Russians achieve a transition**

A second vital western interest is to reduce the dangers of conflict on Russia's borders. This requires the economic, though not military, strengthening of Ukraine. The economic situation there is worse than in Russia, and economic and political collapse, which could suck in even a moderate Russian government, is a present danger. Ukraine claims to need some $7.5bn worth of Russian oil and gas a year. Financing much of this would strengthen Ukraine and help Russia economically. A similar situation, though on a smaller scale, holds in the Baltics.

But the most important thing is to control Russia's inflation. For political reasons, though, this must be achieved with less structural change at the beginning of the stabilisation than has occurred in central Europe. Inflation must be controlled, because at 20 per cent a month it is politically disastrous for the incumbent government. Since prices do not rise uniformly, large changes in relative prices and incomes cause acute anxiety. High inflation was a big reason for the large vote for the authoritarian parties in Russia. Moreover, it is unimaginable that the kind of investment in new ventures which Russia needs if the economy is to improve will be forthcoming in such a chaotic environment.

Unfortunately, Russia cannot learn to live with inflation through widespread indexation, as some other countries have, because of the huge amount of expenditure financed by the inflation tax (the cost of inflation to those holding money). This is some 25 per cent of GDP. Widespread indexation would eliminate the tax base of the inflation tax, accelerating inflation to astronomical levels.

The solution is for western aid to fill the gap. Only in this way can Russia achieve the politically necessary reduction in inflation while avoiding the politically perilous structural shock which would otherwise result from the required massive cutting of subsidies to state enterprises.

**Jacek Rostowski**

*The author is lecturer in Russian and east European economics, School of Slavonic and East European Studies, London University*

# OBSERVER

## Bonndage and other vices

Jean-Claude Trichet, governor of the newly independent Bank of France, has made much of his plans to appear regularly before the National Assembly, thus balancing the fact that he is no longer under the executive's thumb by making himself "democratically accountable" to the legislature.

But who would have thought that his first parliamentary appearance since the central bank's transmogrification would have been before the German Bundestag? Is that not taking independence a scintilla too literally?

Apparently it was just unfortunate that, owing to the assembly's crowded calendar, the boss had to wait to testify at home until his February 2 appearance before the finance committee.

Still, whatever the logistics, yesterday's cameo appearance in Bonn cannot but reinforce the unfortunate impression of Germany's out and out dominance of European monetary policy.

## Credit where due

■ Sergio Siglienti, chairman of Milan's soon to be privatised Banca Commerciale Italiana, has a ticklish task. Persuading cognoscenti to invest in the prestigious BCI will be relatively simple, he reckons. But those less well acquainted with BCI pose a tougher challenge, thanks to the displeasing acronymic similarity between BCI and BCCI, the ill-fated Bank of Credit & Commerce International.

"Whenever I see Eddie George at the Bank of England, he always remembers my little joke," says Siglienti. "BCI – that's right, you're the one with only one C."

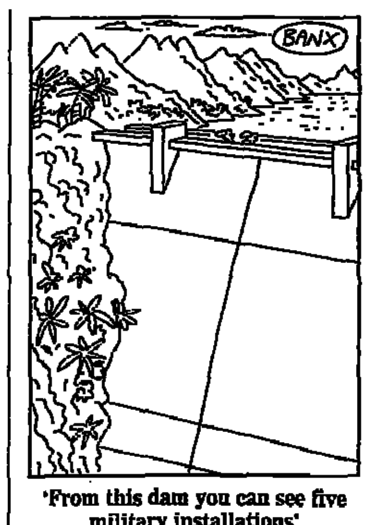
## Off the record

■ It appears John Major is holding another of his hush-hush fundraising dinners at Downing Street tonight for 15 or so heavy hitters of the business world. Let's hope, for the prime minister's sake, that it's a more profitable affair than last week's so-called private dinner for Gus O'Donnell, the prime minister's outgoing press secretary. Presumably, guests not only will keep their mouths shut but they will be required to open their cheque books; after a decent interval, of course.

## Basic instinct

■ Meanwhile, John Major's slogans may be confusing British MPs no end, but their continental counterparts retain clearer heads.

Wolfgang Schäuble, the wheelchair-bound but highly combative parliamentary leader of Germany's Christian Democrats,




'From this dam you can see five military installations'

was talking about ways to counter a general disenchantment with politics. He lauded the benefits of national solidarity, traditional values and institutions.

So was this back to basics à la Major, a British journalist wanted to know. "I can assure you that my marital relations are perfectly stable," came the speedy riposte.

## Lankester bomber

■ Top civil servants don't normally like to rile their prime ministers, but then Sir Tim Lankester is hardly a conventional bureaucrat. As head of Britain's Overseas Development Administration, Lankester has thumbed a nose at John Major by saying British taxpayers' money was wasted on Malaysia's Pergau dam project.

Lankester has long had the habit of giving a straight answer to a straight question, which endeared him both to Jim Callaghan and Margaret Thatcher when he was their private secretary.

His obsession with third world affairs comes from his seven-year stint as a World Bank economist. An interest in development economics was sparked off by Arthur Lewis of the University of the West Indies during a spell as a VSO teacher in Belize. On returning there 30 years later Lankester was delighted to find that two former pupils were now governor of the central bank and permanent secretary at the finance ministry.

The end of January sees him moving to far less congenial waters, as permanent secretary at the Department of Education, where his role is to help save the neck of education secretary John Patten. Time for more straight talking?

## Better late

■ Sir Tim Lankester's straight-talking is tame stuff compared with the latest outburst by David Marshall, just back in Singapore after 15 years as Singapore's ambassador in Paris.

Singapore-born Marshall is unimpressed by modern Singapore and its ruling Peoples Action Party (PAP). His latest verdict is that censorship is worse, broader and more strict than at any time under British rule. He should know; he was chief minister of the first local government, formed under the old British colonial administration.

He also berated Lee Kuan Yew, former prime minister of the island republic, for brushing aside public spiritedness and encouraging Singaporeans to worship the "golden calf" of financial gain.

Lesser diplomats might have shied away from such bluntness, especially in a disciplinarian society like Singapore. But Marshall is a sprightly 86 and has probably given up hope of further diplomatic advancement.

## Risky business

■ Dashiell Hammett must be spinning in his grave. Preventing Homicide in the Workplace, published by the US National Institute for Occupational Safety and Health, has demolished the myth that being a gumshoe is the world's most dangerous profession. Taxi drivers run the greatest risk of being murdered at work. Between 1980-89 the average annual murder rate of cab drivers was 27 in 100,000; most were shot. The next most perilous jobs were liquor store workers, followed by petrol station attendants. Private detectives came a rather lame fourth.

FINANCIAL TIMES
Thursday January 20 1994



UK carrier calls on Brussels to force the repayment of $254m

# BA attacks Air France 'subsidy'

By Paul Betts, Aerospace Correspondent

British Airways yesterday launched a vigorous attack on Air France as it urged the European Commission to force the French state-owned flag carrier to repay a FFr1.5bn ($254m) capital injection, saying it constituted a subsidy in contravention of the Treaty of Rome.

The UK airline's attack comes as an EU commission is due to recommend a policy on state aid to ailing European national airlines, many of which are at seeking support from their governments.

BA and the UK government have campaigned against additional state aid to financially troubled European state carriers, which they argue are severely distorting the European airline market.

BA's objection to the Air France refinancing package now before the EU follows Brussels approval for earlier government injections to Air France totalling FFr5.84bn during 1991 and 1992.

The privatised UK carrier is worried that the French government will soon seek approval for further aid to Air France totalling more than FFr5bn as part of the latest rescue package for the troubled French carrier.

Air France last night rejected BA's claims and insisted the FFr1.5bn injection involved convertible bonds and other paper issued under normal market conditions.

It also stated that the earlier FFr5.84bn it had received involved FFr2bn in a government capital injection approved by the EU as not consisting of a state subsidy, with the remainder raised on the French financial market.

Mr David Holmes, BA's head of government and industry affairs, said the current FFr1.5bn aid package "was not a commercial investment: it was state aid which contravenes the Treaty of Rome and should be given back".

He added that Air France's "financial salvation" should lie in its own hands and not through state handouts "that are unfairly and illegally distorting Europe's air transport industry".

Although the funds were claimed to be required to finance earlier restructuring at Air France, BA said in a statement that there was no evidence of any such restructuring taking place.

"Air France's capacity continued to increase, its total workforce remained practically static, its investment policy focused almost entirely on expanding its fleet through the acquisition of new aircraft ...", BA said.

The UK carrier added that other European airlines had realigned themselves without the benefit of state financial support and Air France should do the same.

## Elf sell-off

Continued from Page 1

offered on preferential terms to employees and former employees of Elf and its subsidiaries.

In the case of excess demand, which occurred in the privatisations of Banque Nationale de Paris last October and Rhône Poulenc, the chemicals group, in November, there will be a claw-back option for individual investors of up to 20 per cent of the institutional tranche. The number of shares available for institutional investors may also be increased, by up to 10 per cent, by the acquisition of shares from Erap, the state holding company.

The French government intends to retain, through Erap, about 13 per cent of Elf's shares and there will be a placement of shares with a group of long-term stable investors. This group, known as a *noyau dur* will hold about 10 per cent of Elf's shares and is designed to protect the privatised group from predators and ensure management stability.

Applications to participate in the group of core investors will close on Monday, but the members are expected to include French industrial and financial groups such as Renault and Union des Assurances de Paris.

## Clinton

Continued from Page 1

Although severe damage is limited to the western and north western parts of the city, it is nonetheless overwhelming. The Federal Emergency Management Agency said it expected to spend at least $1bn on repairs. The California Transportation Department says repairs to freeways will cost at least $100m, an estimate that is expected to double or triple.

Whatever the cost, it will take time – probably years – to undo what the forces of nature accomplished in less than a minute. On Tuesday, crews began demolishing quake-torn overpasses on the Santa Monica and Golden State freeways. Working around the clock, they hope to tear down the structures in about a week.

# Interest rate fever sweeps London's financial markets

By Peter Norman, Emma Tucker and Philip Coggan in London

### Retail sales and inflation results revive hopes for base rate cut

Interest rate fever swept London's financial markets yesterday after news of lower than expected retail sales and inflation in December revived hopes of a cut in base rates from 5.5 per cent.

Equities soared and closed at new highs, led by shares in medium-sized companies. Frantic buying pushed the FT-SE Mid 250 index up 3.4 per cent and the blue chip FT-SE 100 1 per cent.

Prices of government gilt-edged stock staged a strong advance of about 1 per cent. Sterling fell, dropping 1¾ pfennigs in London, as investors reasoned that yesterday's evidence of a slowing recovery might persuade Mr Kenneth Clarke, the chancellor of the exchequer, and the Bank of England to reverse their decision last week to hold interest rates.

Retail sales fell in volume by a seasonally adjusted 0.2 per cent last month compared with November. Although the Central Statistical Office said the year-on-year increase, at 4 per cent, was the highest since July, the news surprised the City which had been expecting a more robust rise following reports from some of the bigger retailers of buoyant Christmas sales.

Interest rate hopes were further fuelled by yesterday's announcement of the retail prices index for December. Although the "headline" rate of inflation jumped to 1.9 per cent from 1.4 per cent in November, the rise was less than expected and meant that the headline rate had remained below 2 per cent for a full calendar year for the first time since 1946. An increase to 2.7 per cent from 2.5 per cent in underlying inflation, which excludes mortgage interest payments, added to the City's belief that inflation is under control.

But Treasury ministers gave no encouragement to hopes of lower interest rates yesterday. Mr Clarke said he was satisfied with the recovery, which was steady and strengthening. The government did not want to stoke a short term consumer boom.

Mr Stephen Dorrell, the financial secretary to the Treasury, later told BBC radio that the government would set interest rates to deliver stable prices and continued good control of inflation.

Genuine upturn Page 12
Economic indicators Page 21
Lex, Page 14

# Attack on red tape targets hundreds of UK regulations

By Tony Jackson and David Owen in London

The UK government yesterday announced a sweeping attack on red tape, aimed at abolishing or changing 450 items of regulation. Areas covered include shop opening hours, children in pubs, building society lending and the streamlining of the law on mergers. There will also be legislation to allow the contracting out of public services in areas where it is presently illegal.

Mr Michael Heseltine, trade and industry secretary, said the new deregulation and contracting out bill was "the biggest bonfire of controls that has taken place in modern times in this country". It would save industry "hundreds of millions of pounds, at a very modest assumption", he said.

At Westminster, the bill was immediately attacked because of the powers it would give ministers to amend or repeal laws without primary legislation.

Downing Street officials admitted the measure – originally flagged as an important part of a legislative programme designed to unite the Conservative party – would be "a difficult bill to get through". But they said Mr John Major, the prime minister, was confident of the government's ability to do so.

The bill contains a requirement for ministers to wait 40 days between laying a draft order before parliament and submitting a final draft for parliamentary debate. The government said this interim period would allow for additional parliamentary scrutiny. New scrutiny committees could be established in the Commons and the Lords to perform this task.

Mr Heseltine said there were 55 pieces of legislation that would be appropriate for the use of the new powers. A further 22 would need primary legislation.

Mr Francis Maude, a junior foreign office minister before losing his seat at the last election, has been appointed head of a deregulation taskforce to carry the programme forward.

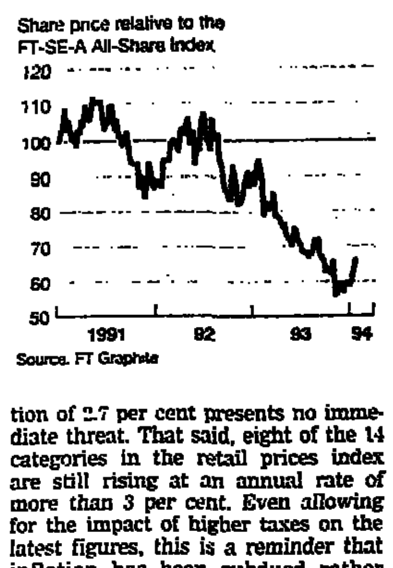
Government departments introducing legislation will have to consult two or three typical small firms about its effect.

Editorial Comment, Page 13

THE LEX COLUMN

# Tesco's choice cuts

FT-SE Index: 3475.1 (+38.1)



Source: FT Graphite

Given that the market had already discounted Tesco's asset values, the food retailer's move to depreciate its land and buildings comes as a belated recognition of reality. Tesco should have made the changes long ago. Still, choosing the precise depreciation rate to apply to a superstore site is a tricky problem, given that none have been open long enough to judge their useful life. Tesco has been reassuringly conservative in implying that the average price paid for its land is twice the alternative use value.

This realism is welcome. But that scarcely makes the shares more attractive, despite the promises of scaled back capital expenditure and higher income growth. Having extracted £572m from shareholders three years ago, Tesco will now try to slip the cash back through higher dividends. Given the shares have underperformed the market by 38 per cent since the fund-raising, that seems a sensible thing to do. Tesco can afford to lift dividends faster than earnings. But earnings are likely to go nowhere. So unless pressures in the grocery market ease or inflation returns with a vengeance, Tesco's shares will remain becalmed.

J. Sainsbury's response will be interesting. It may be tempted to exploit its market leadership and accelerate its store opening programme. Sites will be cheaper and the attrition rate will ease. But Sainsbury faces the same competitive challenges as the rest of the industry. It, too, will come under pressure to modify fair-weather accounting policies, and start to depreciate its land and buildings.

## UK economy

It is strange that the UK equity market should get into such a lather over yesterday's economic figures. Retail sales last month were certainly poorer than suggested by either the CBI or retailers' gossip. But annual sales growth is still running at 4 per cent in volume terms. That is unlikely to drive the chancellor to an early interest rate cut, at least while other economic indicators are pointing in the right direction. The December sales figures should anyway be treated cautiously, since Christmas poses particular problems for the Central Statistical Office, as the large revision to the December 1992 data confirms.

Reassuring news on inflation might leave the chancellor with more room to cut rates should the economy take a turn for the worse. Underlying inflation of 2.7 per cent presents no immediate threat. That said, eight of the 14 categories in the retail prices index are still rising at an annual rate of more than 3 per cent. Even allowing for the impact of higher taxes on the latest figures, this is a reminder that inflation has been subdued rather than vanquished.

With sterling sliding below DM2.61 yesterday, the chancellor does not need to cut rates to hold the currency down. On that basis, the excitement in equities – including a 135-point rise in the FT-SE Mid 250 index – arose from something other than a cool assessment of the economic outlook. If a widespread shortage of stock throughout the London market is to blame, that gain could quickly be reversed.

## Bank of England

The Bank of England's new repurchase operation seems to be an acknowledgement of the deficiencies of the commercial bill market. Monetary objectives require the Bank of England to lend to the private sector. Prudence requires the Bank to secure that lending against readily available collateral. Yet since the government's monetary manipulation of the early 1980s, when the Bank drained many of the bills from the market, the commercial bills traditionally used as collateral have become less liquid. As a result, the money market has become more volatile and adding money to the banking system has become more difficult.

One option would be to use gilts as collateral, though this might require the development of a full-scale repurchase market. Besides the tax complications of this, it could also undermine the existing stock lenders which serve both the gilt and equity markets. That would have knock-on consequences on a scale which would make the Bank wonder whether wholesale reform of that kind was worth the candle.

The Bank's inelegant but practical half-way house is to add medium-term gilt repurchases to the existing bill operations. This may hold the line for some time. This means that the Bank will continue to signal interest rate changes in the same way as before.

Nor will the fact that a repo has recently been completed deter the Bank from changing policy, as some suggest. After all, an informal repo was completed the day before the last interest rate cut. Volatility may also persist, given that commercial banks will still be able to throw their weight about. So a full switch to gilt repos may yet be needed to iron out the historical quirks of the money market.

## Intel

Intel is getting into the habit of releasing results which unsettle the equity market. Yesterday's fall in the shares following the release of full-year figures was as great as the correction which greeted the third-quarter results in October. Slightly lower than anticipated earnings – despite an unexpected financing gain related to a new plant in Ireland – was the immediate cause. But it is a measure of the high expectations of Intel's growth prospects that even minor disappointments can cause such an upset.

The immediate question is whether Intel can sell enough of its new Pentium microprocessors to justify the costs sunk into research and manufacturing. The company's comment yesterday that shipments are running to schedule is comforting. With capital spending running at $2bn a year, though, Pentium chips need to take around 15 per cent of the world personal computer market this year if Intel is to make a decent return on that investment. Competition in the past generation of chips from AMD make it all the more important for Intel to drive the market forward, particularly with IBM likely to enter the market before too long. While Intel's shares have outperformed the US market by 80 per cent over the last 18 months, the long term challengers to its market dominance are only starting to gather momentum.



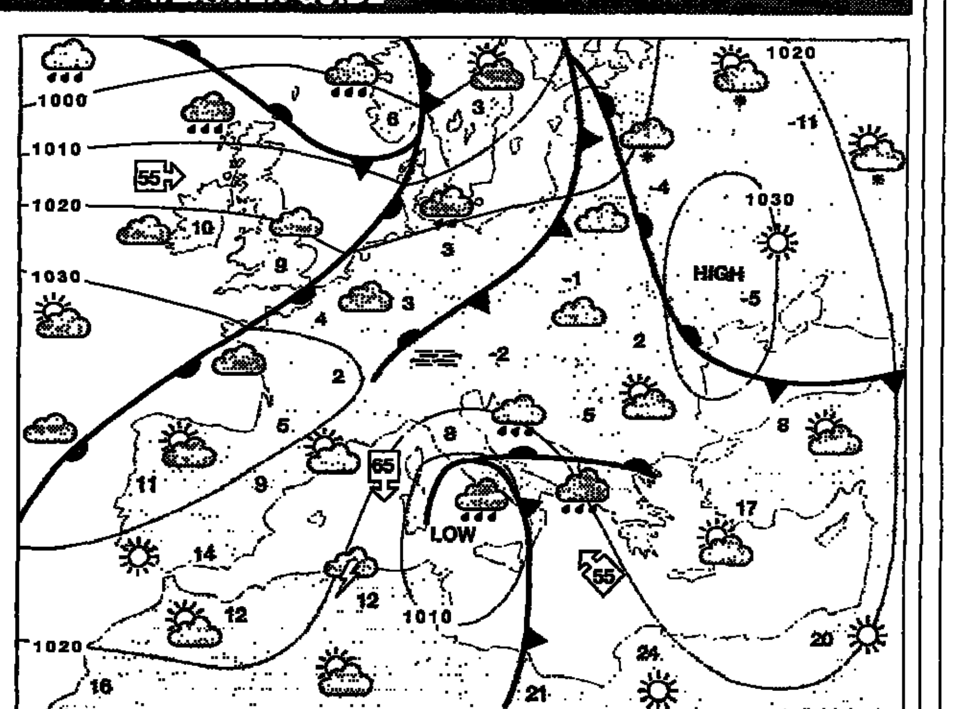
FT WEATHER GUIDE

## Europe today

Cloud and light snow will alternate with clearer skies over Norway, Sweden and parts of Finland. The British Isles will be overcast with rain, especially along the west coast. The Benelux and north-western France will be cloudy with light rain or drizzle. Central, southern and eastern France will have sunny periods with fog patches. The south coast of Spain and Portugal will be sunny but temperatures will stay rather low. The south coast of Turkey and the southern Greek Islands will have sun and comfortable temperatures. Changeable conditions will occur in Italy and the Balkans with heavy rain and snow in the mountains.

## Five-day forecast

Rain and snow in Italy and the Balkans will move further east and will affect south-east Europe later this week. Spain, Portugal and southern France will be settled. Scandinavia will continue unsettled and wintry. The British Isles, the Benelux and north-west France will be very changeable. Central and eastern Europe will be mainly dry.




Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

Maximum Celsius

| City | Weather | °C |
|---|---|---|
| Abu Dhabi | sun | 24 |
| Accra | cloudy | 30 |
| Algiers | thund | 12 |
| Amsterdam | drzzl | 6 |
| Athens | shower | 15 |
| B. Aires | shower | 33 |
| B.ham | cloudy | 10 |
| Bangkok | fair | 35 |
| Barcelona | fair | 10 |
| Beijing | fair | -1 |
| Belfast | rain | 8 |
| Belgrade | rain | 6 |
| Berlin | fair | 2 |
| Bermuda | cloudy | 19 |
| Bogota | fair | 19 |
| Bombay | sun | 29 |
| Brussels | drzzl | 4 |
| Budapest | shower | 3 |
| C.hagen | rain | 3 |
| Cairo | sun | 20 |
| Cape Town | sun | 27 |
| Caracas | cloudy | 26 |
| Cardiff | cloudy | 9 |
| Chicago | sun | -9 |
| Cologne | fair | 4 |
| D' Salaam | shower | 29 |
| Dakar | sun | 23 |
| Dallas | cloudy | 11 |
| Delhi | fair | 22 |
| Dubai | sun | 24 |
| Dublin | cloudy | 10 |
| Dubrovnik | rain | 12 |
| Edinburgh | cloudy | 10 |
| Faro | sun | 14 |
| Frankfurt | fair | 0 |
| Geneva | fair | -5 |
| Gibraltar | sun | 14 |
| Glasgow | rain | 10 |
| Hamburg | fair | 4 |
| Helsinki | fair | 1 |
| Hong Kong | cloudy | 22 |
| Honolulu | shower | 27 |
| Istanbul | shower | 12 |
| Jersey | cloudy | 8 |
| Karachi | sun | 26 |
| Kuwait | fair | 20 |
| L. Angeles | sun | 21 |
| Las Palmas | shower | 18 |
| Lima | cloudy | 27 |
| Lisbon | sun | 11 |
| London | cloudy | 9 |
| Lux.bourg | cloudy | -1 |
| Lyon | fair | -2 |
| Madeira | shower | 15 |
| Madrid | fair | 9 |
| Majorca | fair | 13 |
| Malta | shower | 16 |
| Manchester | rain | 9 |
| Manila | cloudy | 30 |
| Melbourne | fair | 20 |
| Mexico City | cloudy | 16 |
| Miami | fair | 24 |
| Milan | rain | 4 |
| Montreal | cloudy | -14 |
| Moscow | snow | -3 |
| Munich | fair | 1 |
| Nairobi | fair | 26 |
| Naples | rain | 13 |
| Nassau | cloudy | 24 |
| New York | snow | -9 |
| Nice | windy | 10 |
| Nicosia | sun | 18 |
| Oslo | sleet | 0 |
| Paris | fair | 5 |
| Perth | sun | 37 |
| Prague | fair | -1 |
| Rangoon | fair | 32 |
| Reykjavik | sleet | 3 |
| Rio | fair | 30 |
| Riyadh | sun | 20 |
| Rome | rain | 13 |
| S. Frsco | fair | 18 |
| Seoul | fair | -4 |
| Singapore | cloudy | 31 |
| Stockholm | cloudy | 1 |
| Strasbourg | fair | -5 |
| Sydney | fair | 28 |
| Tangier | fair | 14 |
| Tel Aviv | sun | 22 |
| Tokyo | shower | 8 |
| Toronto | cloudy | -12 |
| Tunis | shower | 15 |
| Vancouver | fair | 9 |
| Venice | rain | 6 |
| Vienna | sun | 1 |
| Warsaw | cloudy | -1 |
| Washington | snow | -9 |
| Wellington | fair | 23 |
| Winnipeg | fair | -16 |
| Zurich | fog | -4 |

FINANCIAL TIMES
# COMPANIES & MARKETS
Thursday January 20 1994





## IN BRIEF

### Volvo's board to focus on Renault

Volvo's new board will focus on talks with France's Renault on the future of their three-year-old alliance, Mr Bert-Olof Svanholm, the carmaker's new chairman, said yesterday. Page 16

**Chazot emerges**
Mr Georges-Christian Chazot is not a name familiar to the business community outside France. Eurotunnel's new French chief executive has just made his first trip through the tunnel which he must now turn into a profitable transport undertaking. Page 16

**Irish eyes on Globex**
When Globex, the troubled global electronic futures exchange, attempts to relaunch itself later this year, it could face competition from a new exchange development in Dublin's International Financial Services Centre. Page 17

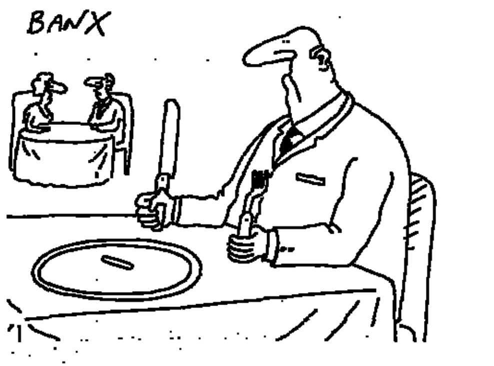
**Honeymoon over for AMR**
AMR, the parent of American Airlines, the second biggest US carrier, slumped into worse-than-expected after-tax losses of $253m in its fourth quarter after a brief period of profitability. Page 18

**BankAmerica edges forward**
BankAmerica, the California-based banking group, missed out on the big advances in earnings made by other big US banks in the final months of last year as income rose to $496m, or $1.21 a share, compared with $473m ($1.18) in 1992. Page 18

**Gencor's gold arm falls**
A lower gold price and higher working costs pushed after-tax income at Gengold, the gold mining division of Gencor, down 7 per cent to R109.2m ($31.9m) in the December quarter. Page 19

**Greycoat returns from the edge**
Greycoat continued its recovery from the verge of bankruptcy as operating profit exceeded interest payments and pointed to a more optimistic future. Page 21

**Rice price rise**




European consumers will soon be paying at least 15 per cent more for rice because of poor harvests and crop failures in the main producing countries. Page 24

**Nikkei rises above 19,000**
ign and domestic investors boosted the Nikkei average above the 19,000 level for the first time since November 2. The expected passage of the political reform bill through the Japanese upper house encouraged investors' hopes of an economic stimulus package. Back Page

**Companies in this issue**



**Market Statistics**



**Chief price changes yesterday**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **FRANKFURT (DM)** | | | | Cred Lyon (CI) | 787 | + | 34 |
| **Rises** | | | | Elf Aquit'n Cts | 376.9 | + | 12.9 |
| Altana Ind | 645.5 | + | 12.5 | Gaumont (Sc N) | 907 | + | 29 |
| Beiersdorf | 860 | + | 18 | Lafarge Coppee | 473.9 | + | 21.5 |
| Degussa | 484 | + | 13.5 | **Falls** | | | |
| Lufthansa Prf | 169 | + | 6.5 | Bouygues | 693 | - | 28 |
| MAN | 393 | + | 9 | **TOKYO (Yen)** | | | |
| **Falls** | | | | **Rises** | | | |
| Colonia Konzern | 1400 | - | 90 | Japan Syn Rbbr | 616 | + | 35 |
| **NEW YORK ($)** | | | | Minebea | 539 | + | 39 |
| **Falls** | | | | Nitsuko | 907 | + | 63 |
| BankAmerica | 46⅛ | - | 1⅝ | Okuma Corp | 750 | + | 48 |
| Citicorp | 40⅛ | - | 1⅛ | Yokogawa Elec | 921 | + | 90 |
| Digital | 32⅞ | - | 3½ | **Falls** | | | |
| Merck | 35⅝ | - | ⅞ | Sanrio | 1430 | - | 150 |
| Pfizer | 62¼ | - | 5⅝ | | | | |
| Schering-Plough | 64⅝ | - | 1⅞ | | | | |
| **PARIS (FFr)** | | | | | | | |
| **Rises** | | | | | | | |
| Accor | 720 | + | 35 | | | | |

New York prices at 12:30.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **LONDON (Pence)** | | | | Lon & Clydeside | 145 | + | 8 |
| **Rises** | | | | M & G Group | 1162 | + | 62 |
| AGI Group | 165 | + | 15 | Rugby | 371 | + | 33 |
| BM Group | 39¼ | + | 4½ | S & U | 343 | + | 30 |
| Baldwin | 111 | + | 13 | Savoy A | 980 | + | 150 |
| Beales Hunter | 283 | + | 20 | Seaboard | 774 | + | 36 |
| Brit Aerospace | 416 | + | 25 | Welsh Water | 734 | + | 39 |
| Brit Land | 473 | + | 44 | Wilson Bowden | 669 | + | 35 |
| Burn Stewart | 138 | + | 9 | **Falls** | | | |
| Calor Group | 371 | + | 26 | Barbour Index | 218 | - | 15 |
| Central Motor | 125 | + | 9 | Division Group | 69 | - | 8 |
| Davenport Vern | 156 | + | 9 | Rubicon | 175 | - | 6 |
| GWR | 750 | + | 57 | | | | |
| Glasson (M.J) | 1000 | + | 60 | | | | |
| Hill & Smith | 201 | + | 11 | | | | |

# Digital shares fall sharply on loss

By Martin Dickson in New York

Shares in Digital Equipment fell sharply yesterday when the troubled US computermaker reported a second quarter net loss of $72.1m – far worse than Wall Street had been expecting – and a 12 per cent drop in operating revenues.

The red ink, which worked through at 53 cents a share, was little changed from the loss of $73.8m, or 57 cents a share, in the same period last year. Analysts had been looking for earnings close to break-even. Digital's shares fell $3½ to $32⅞ by lunchtime in New York.

Digital, like International Business Machines, has been struggling to come to grips with fundamental changes in the computer market which have shifted demand away from its mini-computers to networks of much cheaper personal computers and workstations. These use "open systems" rather than proprietary software.

Mr Robert Palmer, chief executive, is overseeing a restructuring programme which has had mixed results: a return to profits in the three months to last June, followed by worse than expected losses in each of the past two quarters.

Mr Palmer was dissatisfied with last quarter's revenues and loss and said Digital continued to work to lower its costs, stabilise and then grow revenues.

"It took several years for the company to get into this situation and it is taking some time for us to restore profitability and growth," he said.

The revenue decline was attributed mainly to a continued drop in demand for the company's ageing VAX computer systems. Digital said its personal computer business continued to double in units, year on year, and showed strong double-digit revenue growth.

The important new line of Alpha workstations had also continued to show good growth.

The results were hit by unfavourable foreign currency movements, weakness in the European and US economies, and a decline in product margins because of a shift in the mix of sales to products with lower profits, such as personal computers.

Mr William Steul, chief financial officer, said the company had generated positive cash flow from operations during the quarter and ended the period with cash balances of $1.1bn, down $127m from the previous quarter.

For the six months to January 1, Digital reported a net loss of $155.3m, or $1.15 a share, compared with a loss of $334.4m, or $2.60 a share, last year.

**Michiyo Nakamoto and William Dawkins** on a corporate lesson for others in Japan

# Hanwa turns its back on speculation

News of Hanwa's resolve to wash its hands of speculative financial transactions reverberated through Japan's business and financial community yesterday. It was a solemn reminder of the bad old days of financial excess and the disastrous way it had all ended.

In its heyday, as a leading player in the stock and currency markets, Hanwa enjoyed a formidable reputation. Its huge deals – hundreds of millions of dollars apiece – could send the currency market into pandemonium and banks scurrying for cover.

Speculative transactions increased under the leadership of Mr Shigeru Kita, who had a glass-walled dealing room at the company's Tokyo headquarters in Tsukiji, near the city's fish market. He was known as the god of *zaitech*, or speculative financial trading.

Mr Kita, who took the helm in 1983, was widely regarded as a canny investor, particularly after he correctly predicted the rise of the dollar in the early 1980s and its subsequent weakening in 1985. In early 1987 he directed company funds away from speculative market transactions and back towards its core in time to shield Hanwa from the worst effects of the stock market crash.

Mr Kita had started the business – with two brothers – of selling steel to a government scheme back in 1946 in war-ravaged Japan. But his natural instinct for financial deals led him to dabble in real estate from the earliest days of the company, comfortable in the belief that "land prices will never go down in Japan".

In addition to being a leading investor in stocks through specified money trusts, known as *tokkin*, and a feared speculator in currencies, Hanwa also built up Japan's commercial paper market, in which it had a share of up to 25 per cent. This market also provided Hanwa with a means to make huge profits by issuing commercial paper at low interest rates and investing the proceeds in short-term deposits where rates were higher.

The company's dealings in financial markets yielded enviable profits during Japan's peak period of asset inflation. In 1990, 70 per cent of the company's Y38.4bn ($346.7m) in profits were from non-operating businesses – mostly financial transactions.

But the strategy started to unravel with the pricking of Japan's asset bubble in the early months of the decade. By the spring of 1991, Hanwa began to feel the effects of Japan's stock market fall. It reported appraisal losses on its cross-shareholdings in other company's stock and on securities investments.

One year later, Hanwa reported that it would halve the level of its investment funds. It entered into a furious public and legal battle with Yamatane Securities over a promise which Hanwa claims Yamatane had made to repurchase securities after three months at a price that would yield a 12 per cent return.

At the end of last year, the company was further undermined by rumours that Hanwa faced financially difficulties and had exceeded its limit on credit by Y56.4bn ($509.2m). The news sent Hanwa's share price plunging Y100 in one day late in December to Y455, a far cry from the peak of Y3230 reached in 1991. By the end of December, Hanwa's share price had fallen as low as Y387.

Hanwa's undoing by its speculative ventures is all the more ironic since the company's core business of trading in steel products has been a solid one offering relatively high returns.

The soundness of its main operations and its finances (despite Y950bn of outstanding loans to banks) is demonstrated by the fact that none of its banks – also important shareholders – feel the need to send directors to assist Hanwa in its restructuring. Rumours about its financial difficulties had been exaggerated and the share price has recently started to recover.

Reflecting on the company's fate, Mr Takashi Iwama, vice-president, said yesterday that the decline of the Japanese stock markets was the single most significant factor. Others were more inclined to blame lax management control, allowing the company to sink deeper into the speculative frenzy of the late 1980s, and the lack of strong direction once things were seen to be going wrong.

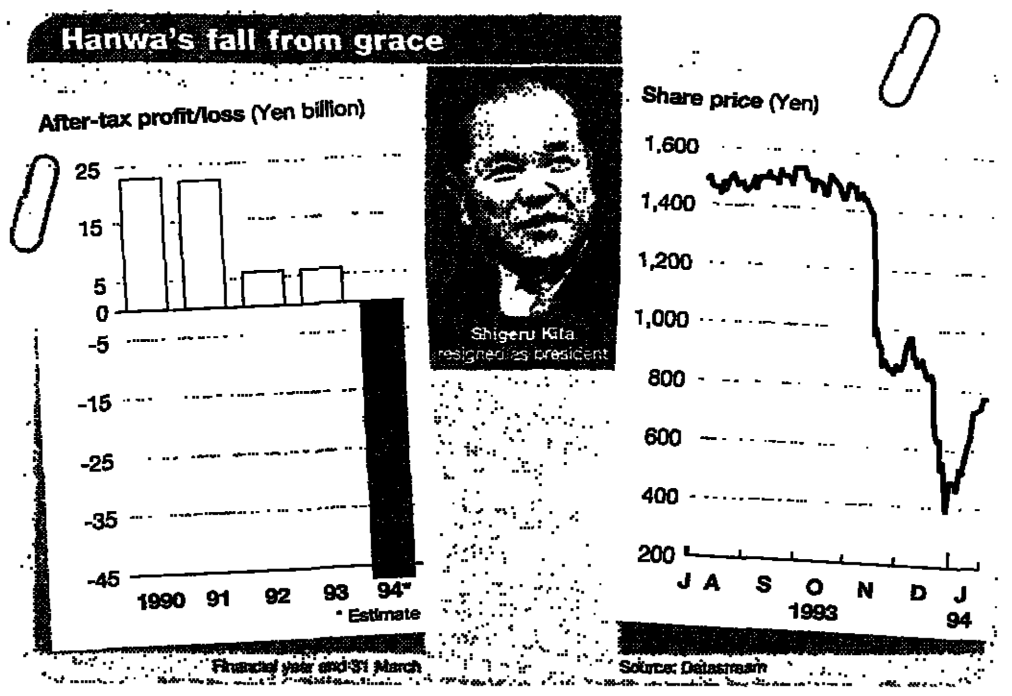
Although Hanwa's financial troubles were well known, the decision to admit failure and withdraw from financial transactions, especially when it still has Y1.3 trillion of funds invested, came as a surprise. Ms Kathy Matsui, strategist at BZW in Tokyo, said that while "Hanwa was known to be in trouble, this created quite a shock".

The lessons of Hanwa's experience are bound to have an effect on other Japanese companies caught up in the speculative heat of the late 1980s. While investments in *tokkin* specified money trusts and fund trusts have already declined from a peak of Y43,000bn in February 1990 to Y23,000bn last September, according to BZW estimates, the decline of these investment techniques is bound to accelerate further, analysts say.

At the same time, cross-shareholdings, which have been an important support for stock prices in Japan are likely to be affected by Hanwa's decision to sell off assets. Hanwa is big enough to constitute a "jump" in the unwinding of cross-shareholdings, according to Mr James Jason, strategist at James Capel in Tokyo.

For corporate Japan, after years of busily pursuing one diversification after another and one lucrative financial deal after another, the harshest lesson may be the importance of focusing on core businesses. "Hanwa had a good reputation in the steel business," says Mr Hiroyuki Suzuki, steel analyst at Nomura Research Institute. "We expect more companies to follow its example and concentrate more assets on their original businesses."

**Hanwa's fall from grace**




# McDonnell Douglas cost cuts pay off

By Martin Dickson in New York

McDonnell Douglas, the US defence and aerospace group, yesterday reported a fourth quarter loss of $132m after taking a special $450m pre-tax charge for its C-17 aircraft programme.

Excluding the charge, McDonnell's earnings rose 66 per cent – in spite of the weakness of the civil aviation market.

The figures were ahead of most analysts' expectations and represent further financial recovery of the company, which two years ago was struggling with a heavy debt burden, a contracting defence market and softening airliner sales. However, McDonnell fought back with a programme to cut costs, improve efficiencies and sell peripheral assets.

Yesterday it reported that aerospace debt reached a six-year low of $1.63bn at the end of 1993, after a drop of $349m in the final quarter and $1.14bn in the year.

Fourth quarter earnings before charges were $143m, or $3.63 a share, up from $86m, or $2.20 a share, in 1992 on sales which fell from $4.62bn to $3.63bn.

For the full year, earnings totalled $396m, or $10.10 a share, compared with $79m, or $2.03 a share in 1992, excluding unusual items.

Mr Herb Lanese, finance director, said 1993 had been a pivotal year in which McDonnell had demonstrated its "survivability". It now had to demonstrate to the outside world that 1993 was not a fluke and that it was a "much stronger, revitalised corporation". He said analysts' estimates of 1994 earnings per share between $11.50 and $13.25 were "not unreasonable". At the end of this month the board would review the company's dividend pay-out ratio, which he acknowledged was "low compared to our peers".

The C-17 charge, which the company foreshadowed in December and which worked through after tax at $275m, or $6.99 a share, covers the cost of a settlement with the federal government in a dispute over time and cost overruns in development of military transport.

Excluding the charge, fourth quarter earnings from McDonnell's military aircraft segment were $180m, up from $112m. The commercial aircraft side broke even and the missiles segment made $78m, in spite of $19m in write-offs, up from $47m.

# Roche moves up to third place in FT500 as Shell keeps lead

By Peter Martin, Financial Editor

Roche, the Swiss drugs group, is the big winner in this year's FT500 ranking of Europe's top companies, rising to third place from sixth.

Roche's market capitalisation – the value of all its shares when the survey was taken – is not far behind that of British Telecommunications. Both are still well behind Royal Dutch/Shell, the Anglo-Dutch oil group, which again ranks first.

In general, drugs companies did poorly in this year's rankings, making Roche's rise the more striking. Glaxo of the UK came second last year, but has now dropped to seventh place.

The FT500, published as a special section today, compares European quoted companies by market capitalisation. A second ranking, the FT UK 500, highlights the leading UK companies. The top 100 companies from the US and Japan are also included.

This year's survey also shows:

● Swedish banks made a striking recovery. Scandinaviska Enskilda Banken, which had dropped out of the ranking, reappeared at 199th. Svenska Handelsbanken was the biggest gainer, rising 242 places to 223rd.

● Other big winners included British Aerospace, up 233 places to 231st; Finland's Repola, up 132 places to 255th; and Spain's Fomentos de Construcciones, up 128 to 312nd.

● Big losers were Montedison, the Italian chemicals company, which fell 235 places to 468th; Racal, the UK electronics group, down 192 places to 480th; and Delhaize, the Netherlands chemicals company, down 152 to 327th. Courtaulds Textiles of the UK and Club Mediterranée of France dropped out of the European 500.

● The rankings include several companies formed by mergers, such as Reed Elsevier (41st), the Netherlands-British publishing group; and Matra Hachette (235th), France's publishing and defence group. Other new entrants are former state-owned companies: Rhône-Poulenc, the French chemicals company, joins at 79th; Argentaria, the Spanish bank, enters at 107th.

● Omission: LWT should have been included in the UK 500 at 205th, with a market capitalisation of £517m.

# Bank of England seeks to ease liquidity problems with 'repo'

By Sara Webb in London

The Bank of England yesterday held its first formal sale and repurchase – or "repo" – of UK government bonds as part of its sterling money market operations, in an effort to iron out the volatility and liquidity problems that have beset the market since the September 1992 sterling crisis.

The new procedures have already been tested on a temporary basis and complement the Bank's existing market operations, in which it accepts bills from the banks in return for lending wholesale cash.

The Bank yesterday allotted £3.84bn in 21-day repos and £137m of 35-day repos, both at $5\frac{13}{32}$ per cent to be allocated and settled today. This enables banks to borrow money from the Bank for three or five weeks at a rate of $5\frac{13}{32}$ per cent using their gilt holdings as security.

While the Bundesbank's repo operations are closely watched by participants in the European financial markets for hints about the direction of Germany's key interest rates, the Bank of England's repo is unlikely to assume the same significance.

"The Bank of England's daily [bill] operations will continue to provide the main focus," says Mr Philip Shaw, an economist at Union Discount. He pointed out that if the liquidity shortages were reduced to such an extent that the Bank did not need to hold an early round of assistance in the money market, the repo rate would provide the first signal of the day – albeit only on the twice-a-month repo dates.

When the Bank was forced to support sterling in autumn 1992, the heavy intervention resulted in a large drain of liquidity from the money market. As a result, daily shortages of more than £1bn have become a regular occurrence.

The Bank introduced temporary repos to alleviate the problems. The intention is to extend this facility to all banks and building societies, but this was not possible at yesterday's repo: only the biggest banks and building societies, as well as the discount houses and gilt-edged market makers, were able to participate.

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# New Volvo board heads agenda with Renault link

By Hugh Carnegy in Gothenberg

Volvo's new board will focus on talks with France's Renault on the future of their three-year-old alliance, Mr Bert-Olof Svanholm, Volvo's new chairman, said yesterday. His comments come in the wake of the collapse last month of plans by the two companies to merge.

Speaking shortly after his election, Mr Svanholm was careful not to say what the result might be. However, he intends to inform shareholders of the outcome - and of the new board's long-term strategy for Volvo - at the annual general meeting in April.

Mr Svanholm, who heads the Swedish operations of Asea Brown Boveri, the Swiss-Swedish engineering group, succeeded Mr Pehr Gyllenhammar, who resigned after two decades in charge of Volvo when confronted with a shareholder and senior management revolt against the merger plan.

The new chairman insisted Volvo would rebound from the trauma. "It is a company with big possibilities for the future," he said.

Mr Svanholm was proposed by a group of Swedish institutional shareholders representing 40 per cent of the voting capital.

The meeting accepted their other six board nominees, including Mr Sören Gyll, Volvo chief executive, and Mr Louis Schweitzer, the chairman and chief executive of Renault, which remains Volvo's biggest shareholder with 10 per cent of the voting capital.

Mr Gyll said Volvo last year achieved its first increase in car sales since 1986, in spite of recession in Europe and the upheaval caused by the merger uproar.

Christopher Brown-Humes in Stockholm adds: Mr Pehr Gyllenhammar is stepping down as a vice-chairman of Skandinaviska Enskilda Banken.

"It is natural that after leaving Volvo, I should also leave the SE-Banken board so that I remain free for the future," he said.

Mr Gyllenhammar has been a board member at SE-Banken since 1979, and vice-chairman since 1991. He is expected to step down at the bank's annual general meeting in April.

# Daf nets Fl 10m in 10 months

By Kevin Done, Motor Industry Correspondent

Daf Trucks, the Dutch truck maker rescued from collapse last year, made a net profit of Fl 10m ($5m) in the 10 months from March to December.

The company is still majority-owned by the Dutch and Flemish governments, but it is expected that the combined state holding will be reduced to a minority position later this year.

Mr Cor Baan, chairman of the Daf Trucks management board, said the company had achieved a turnover of Fl 1.3bn in the final 10 months of last year.

He forecast further growth in turnover and profit this year, despite continued weakness in the European truck market.

The company has begun negotiations with the Dutch unions to increase the flexibility of its labour agreements. It is seeking to increase the working week to 38 hours from the present 36.

It is also seeking to introduce a new shift system with a 9½-hour day, four days a week with the possibility of the plant working 6 days a week.

Longer operating times and increased flexibility were essential in a market in which margins were under heavy pressure as a result of overcapacity and the growing influence of cheap labour countries such as in east Europe and the Far East, said Mr Baan.

The company had "drastically reduced" its stocks last year and had "strictly" adhered to the principle of only building to order.

It forecast that the overall west European commercial vehicle market would suffer a further slight fall in 1994 and would not begin to recover before the end of the year.

# PepsiCo expands in east Europe

By Patrick Blum in Bratislava

Pepsi-Cola International, the soft drinks arm of PepsiCo, plans to invest $115m over five years in Slovakia and the Czech Republic, the company announced yesterday in Bratislava.

This brings PepsiCo's planned investments in the fast food and drinks sectors in central and eastern Europe to almost $1bn, Mr Richard Norton, senior vice-president for business development in the Middle East, Africa and eastern Europe, said.

The company recently announced plans to invest $500m in Poland and $115m in Hungary in local production facilities. It is involved in a $150m joint venture resine plant in Russia (resine is used to make plastic bottles).

The investment will be split roughly according to the size of the two countries, with $85m going to the Czech Republic and $30m to Slovakia. It includes a 20,000 sq metre packaging plant under construction on the outskirts of Prague, and the establishment of sales and distribution networks in both countries. PepsiCo will increase its Czech workforce to about 600 employees and provide jobs for about 200 workers in Slovakia.

Last month, Kentucky Fried Chicken which along with Pizza Hut and Taco Bell is owned by PepsiCo, announced plans to open up to 40 restaurants in the Czech Republic over four years.

# Deutsche Bank sets sights on Asia-Pacific

By Paul Abrahams in Tokyo

Deutsche Bank, Germany's largest bank, is targeting the Asia-Pacific region for the next decade after concentrating expansion plans on North America during recent years.

The bank's Asia-Pacific operations had the potential to substantially boost profits during the next 10 years, said Mr Ulrich Cartellieri, the board member responsible for that region.

The region generated profits of about DM500m ($286m) last financial year, compared with group profits of nearly DM6bn.

Mr Cartellieri said, "This is the world's fastest growing region and will require huge investments in infrastructure. The most conservative estimate puts the requirements at $500bn over the next four years. We want to help fund that expansion."

The bank employs more than 3,000 people in the Asia-Pacific region, of which slightly less than 400 are based in Japan.

Most of the bank's growth in the region would be in south-east Asia with little from Japan, he said. The speed of growth would depend upon how quickly governments deregulated their financial markets.

"Most are advancing in leaps and bounds. Some are having to move from the Stone Age to derivatives in only a few months," he explained.

The bank would concentrate on commercial banking, trade finance, capital market operations, brokerage and private investment banking.

The Morgan Grenfell subsidiary, would focus its efforts in capital markets. Singapore is the only centre where Morgan Grenfell has depth, he added.

Deutsche Bank had asked the Vietnamese authorities for permission to upgrade its representative offices in Hanoi and Saigon to full branches. India is also a priority for the commercial banking operations. A licence had just been received for Bangalore, and new offices were planned in other Indian cities including Calcutta.

# Falling prices hit Thyssen Stahl

By Ariane Genillard in Duisburg

Losses at Thyssen Stahl, Germany's largest steelmaker, quadrupled in the year to September, to DM1.23bn ($703m). The company blamed declining steel prices and falling domestic orders.

Turnover for the year fell by 15 per cent, to DM10.6bn. The company said the fall in steel prices accounted for DM500m of its losses.

Weak demand, especially from the automotive industry, also contributed to the company's heavy losses, with deliveries decreasing by 10 per cent for the fiscal year.

Mr Ekkehard Schulz, chairman, said he did not expect marked improvements in 1994, as domestic demand is expected to remain weak. However, he said the company's drastic cost-cutting measures should allow it to return to the black in the 1994-1995 financial year.

Turnover for the first quarter of the year continued to fall, dropping 7 per cent to DM2.5bn against the same period the previous year. Crude steel production stood at 2.4m tonnes in the first quarter, an 11 per cent increase over the previous year. Thyssen Stahl's total crude steel production in 1993 stood at 8.3m tonnes.

"We expect the coming year to remain as unsatisfactory as the year before," Mr Schulz said.

"But we think that the bottom has been reached, and that business will at least not deteriorate further. A pick-up in demand for steel products cannot, however, be expected before the second half of 1994."

Meanwhile, he said Thyssen Stahl had no alternative but to continue laying off workers to cut costs and reduces losses. The company announced earlier this week an additional 1,250 workers would go by the year end. A two-year restructuring programme already plans to axe 30 per cent of its 40,000 workforce by October 1994.

Mr Schulz said the restructuring programme would allow for productivity increases of between 4 and 5 per cent in coming years. Restructuring measures have also included the merging of the company's steel and special steel divisions, which took effect at the beginning of the 1992-1993 business year.

Economies of scale are also expected in the divisions producing tin plates and non-corrosive steels, which are due to be merged with Krupp-Hoesch, Germany's second-largest steelmaker.

# Eurotunnel chief takes the helm

## Georges-Christian Chazot will be a regular Channel traveller, write **Charles Batchelor and John Ridding**

Mr Georges-Christian Chazot, Eurotunnel's new French chief executive, may be a keen amateur sailor, but he admits he has never taken his 35-foot racing yacht, Eloisa, across the English Channel.

Nor will he have a chance to make the voyage in the next few months. Instead, it seems Mr Chazot is set to spend more time travelling under the Channel than sailing across it. On Tuesday, he made his first trip through the tunnel which he must now turn into a profitable transport undertaking.

Despite a long and apparently successful career with international companies, Mr Chazot, 54, is not a name familiar to the business community outside France. He is also taking on a role whose previous occupant, Sir Alastair Morton, established a fearsome reputation for getting things done.

Mr Chazot was picked after a search by two teams of headhunters in Paris and London. Sir Alastair said Eurotunnel was looking for "the best man without regard to nationality".

Not that Mr Chazot regards himself as being particularly French. "I feel a little detached from that type of consideration," he said yesterday. "My basic business education was in the US for the first three years of my business life."

He was educated at the Ecole Polytechnique in Paris, and at the University of Florida, graduating with a degree in electrical engineering and a diploma in marketing.

Most of his subsequent career has been industry, and he worked for 14 years each at Schlumberger, the international engineering group, and CGE (now Alcatel Alsthom), the telecommunications company.

He ranks as one of his successes the transformation of Saft, Alcatel's battery subsidiary, from a company with a "a culture of high-tech arrogance to a service-minded corporation".

Among his career disappointments, he recalls the problems he had taking to Alcatel the hard-driving commercial approach he brought from Schlumberger. Alcatel, he says, had "a public telephone company culture".

From Alcatel he went to Adia, a Swiss temporary employment agency, running its French subsidiary for 18 months. "Time with a service company complemented my industrial experience," he said. "Eurotunnel is a service company and nothing else."

Eurotunnel nevertheless represents another significant career switch. "There are few, if any, parallels with this project," said one French banker. "The important thing is that he has an international background, has shown himself to be an able manager, and that he is installed before the tunnel opens its services."

One valuable lesson Mr Chazot brings from Adia is experience with price competition. In industry, he said, he sold on quality and on innovation but at Adia, which was fighting for business in a depressed market place, price and margins took on increased importance.

If forecasts of a tariff war between the cross-Channel ferries are borne out, this experience will be useful. Eurotunnel insists it has no plans to compete with the ferries on price, but it may have little choice.

Although Mr Chazot is taking over as chief executive, Sir Alastair will remain as co-chairman. Both men were keen to stress they would have complementary and not conflicting roles.

Mr Chazot is to spend the next four months ensuring that services which run through the tunnel - the car passenger shuttles, passenger trains and freight services - are launched as planned, and that the business starts to make profits.

Georges-Christian Chazot: services background crucial

This is a task which will involve him closely in the operational and marketing sides of the company. Sir Alastair and Mr Graham Corbett, the finance director, will devote their time to solving outstanding disputes with the railways and raising an additional £1bn of finance.

"We want to prevent Mr Chazot from being overburdened by the problems of the past," said Mr André Bénard, co-chairman.

However, for an untried business with £10bn invested in an intensely competitive market, the problems of the past will be hard to ignore.

# Globex eyes a Dublin challenge

## The CBoT may join the Irish exchange, writes Tracy Corrigan

When Globex, the troubled global electronic futures exchange, attempts to relaunch itself later this year, it could face competition from an unlikely source: a new exchange development in Dublin's International Financial Services Centre.

So far, only Finex, the relatively small New York-based exchange, has taken space in the Dublin Exchange Facility, which is due to open on April 15.

But the Chicago Board of Trade is one of a number of exchanges actively considering the Dublin option, and the Philadelphia Board of Trade and Simex in Singapore are also involved in discussions.

The facility is "available for American and Asian exchanges to service European customers," said Mr Paul Cronin of Ireland's Industrial Development Authority, which has backed the project.

The CBoT would be a notable catch for Dublin. The exchange is widely expected to drop out of Globex, when the contract between the system's three backers, Reuters, the Chicago Mercantile Exchange and the CBoT, is redrawn in April.

Globex is a high-tech, electronic trading network which allows traders in other time zones to deal in futures outside normal exchange hours. But volume has been disappointing, prompting speculation that the concept of 24-hour electronic trading is flawed.

The Dublin idea takes a different stab at the same problem of out-of-hours trading. But unlike Globex, the Dublin facility will simply replicate existing open-outcry trading arrangements, allowing pit trading in the European timezone with low overheads.

"We have a contractual agreement for Globex with Reuters, but, come April, it is unlikely that we will meet the [contract] requirement, and Reuters has the option to pull the plug," explains Mr Fred Grede, vice-president of administration at the CBoT.

"The board is aware of that and has been thinking about other options."

He added that the Dublin development is "definitely an option – we believe, quite candidly, that open outcry has been a superior trading system. The concept is very appealing – the one issue in everyone's mind is the infrastructure in Dublin."

The CBoT is also considering linkages with other exchanges, but discussions with Liffe in London were abandoned, and talks with the Matif in Paris and the DTB, the German futures market, were preliminary.

Even with the greater array of products provided by the CBoT, there is no guarantee that a critical mass of trading could be achieved in Dublin. The question of whether traders really need to trade outside their own time zones, given the global reach of most securities houses, applies to the Dublin project as well as to Globex.

But the Irish Industrial Development Authority has created a favourable environment with a 10 per cent tax rate for exchanges and member firms – so the venture promises to be a relatively cheap one for participants.

Trading permits for Finex Europe, the Dublin branch of Finex, are to cost only $10,000, and cheques have already started arriving - including one from Mr William O'Connor, the former chairman of the CBoT.

Finex decided to expand into Europe two years ago, according to Mr Sean McNamara, an independent trader at CIG Asset Management and a member of the Finex board. "We approached Globex to join the system and they told us we were not invited," he recounts.

The exchange then decided that a physical move to Europe would be a better option. Dublin "is a platform for us to access the European marketplace," says Mr McNamara. "We are not trying to build a Liffe or a CME; if we can do 2,000 contracts a day, 50-100 people will be making a nice living and we will have a platform from which to grow."

# Iberia goes ahead with $500m injection for Argentine airline

By John Barham in Buenos Aires

Iberia, Spain's national airline, said it would go ahead with a controversial $500m capital injection for the troubled Aerolíneas Argentinas.

However, Iberia, which operates and holds 30 per cent of Argentina's privatised flag-carrier, failed to convince the Argentine government, which still owns 33 per cent of the company, to contribute.

Mr Domingo Cavallo, economy minister, has said the government would not put any more money into Aerolíneas after being forced to take back 28 per cent of the company in 1992 to prevent its collapse.

Aerolíneas lost $230m last year and revenues fell 14 per cent to $795.1m. Officials blame much of its problems on Iberia's poor management, and say its difficulties will not be overcome by injecting more money.

Spanish and Argentine banks with close business relationships with Iberia hold 23 per cent of Aerolíneas and have agreed to participate in the capital increase. However, one of these banks is the troubled Banesto with a 7.5 per cent stake.

The capital-raising exercise will have to involve more local investors because Argentines must own a majority of Aerolíneas for it to retain flag-carrier status. The airline says the employees' share ownership scheme, which holds 10 per cent of Aerolíneas, and the pilots' union have offered to join in.

Mr Juan Saez, Iberia executive vice-president, has warned that unless Aerolíneas receives fresh capital it would soon face collapse. However, he said last week Iberia would be willing to sell its stake for $500m, which was roughly what it paid for its share in the company at its privatisation in 1990.

# Sun Micro turns in 80% surge for quarter

By Martin Dickson in New York

*Sun Microsystems, the US* market leader in computer workstations, reported an 80 per cent rise in second-quarter net income.

The company made $43.8m, or 46 cents a share, up from $24.1m, or 23 cents, a year before, on revenues up 8 per cent at $1.13bn. The earnings were broadly in line with market expectations.

Mr Kevin Melia, chief financial officer, said: "Sun's successful new product offerings and the resulting strength in the high-end product mix, as well as our continued focus on cost management, helped increase gross margins from last year's level."

Bookings had grown to a new record.

For the six months, net income jumped to $60.4m, or 62 cents a share, up from $28.9m, or 28 cents, on revenues 10 per cent higher at $2.09bn.

The California-based company also announced Mr Melia was to step down as chief financial officer and move to the east coast of the US for "personal reasons". He will be replaced by Mr Michael Lehman, corporate controller.

# Venezuelan brewer taken over

By Joseph Mann in Caracas

Universal Breweries, the majority shareholder of Brazil's Brahma beer group, has bought control of C.A. Cervecera Nacional, Venezuela's second-largest beer producer.

Brahma, which will operate the Venezuelan beer maker, plans to launch new products in Venezuela and introduce its popular Brahma Chopp beer. Details on the transaction were not disclosed.

Brahma's presence in Venezuela, part of an international expansion programme, should provide strong competition for Empresas Polar, whose Polar beer dominates around 90 per cent of the domestic market, and Cervecera Regional, another producer.

Polar is owned by the Mendoza Fleury family, while Regional is controlled by the Cisneros group. Cervecera Nacional shares are listed on the Caracas stock exchange, but are not actively traded.

Both Brahma and Polar are among the world's largest brewers. Cervecera Nacional was once the leading Venezuelan beer producer but was overtaken by Polar in the 1970s. Nacional has 6 per cent of Venezuela's beer market and 34 per cent of the market for "malta", a non-alcoholic malt beverage. It also exports to the Caribbean.

While Venezuela is a relatively small market, with a population of 20m, beer is a big seller. Beer output in 1992 was more than 72m litres, or 61 per cent of all alcoholic beverages sold.

# Tokyo forex trade at five-year low

By Emiko Terazono in Tokyo

Trading on the Tokyo foreign exchange market dropped to a five-year low last year, raising doubts over the viability of Tokyo's role as the leading financial market in the far east.

Spot and swap volume traded through forex brokers last year fell 3.4 per cent compared with 1992, to $5,963bn, the lowest level since 1988.

Trading volume has fallen steadily since the peak in 1990.

Derivatives trading also declined. Some big US and European houses, the leading participants, moved their operations to Hong Kong and Singapore as a result of high costs.

Slow deregulation by the ministry of finance, limiting the number of instruments traded in Tokyo, has also discouraged some traders. The ministry has yet to lift its ban on forward rate agreements, originally expected last year.

Similar trends have occurred in the stock market, where investors trading the Nikkei stock futures index have shifted trade to Singapore.

The Japanese financial authorities need to make a concerted effort in making Tokyo a more attractive financial market, says Mr Kazuo Fujii, senior managing director of forex brokers Nittan AP.

# McDonald's plans $1bn buy-back

By Laurie Morse in Chicago

McDonald's Corporation, the international hamburger restaurant chain, intends to buy back $1bn of common stock within the next three years, funded primarily by excess cash flow.

Since 1983, the company has bought back stock worth nearly $2.2bn.

Mr Jack Greenberg, chief financial officer, said the repurchases would enhance shareholder returns, but would not dent the equity base needed to support growth worldwide.

McDonald's recently announced it would accelerate its global restaurant expansion, building 900 to 1,200 new stores annually, with about two-thirds outside the US.

It currently has 14,000 restaurants in 70 countries, with nearly 80 per cent independently owned by local franchisees.

# Mexican finance group ahead

By Damian Fraser in Mexico City

Grupo Financiero Banamex-Accival (Banacci), Mexico's largest financial group, recorded a 35 per cent increase in total profits to 3.59bn new pesos ($1.16bn) last year, after a big increase in gains from money-market and equity trading.

Banacci's profits include 861m pesos of unrealised gains on securities trading. It said that adjusting for income tax and profit sharing, profits would be $3.21bn, 21 per cent up on 1992.

Banacci subsidiaries' profits – which exclude the group's unrealised gains from securities trading – reached 2.68bn pesos last year, just 1 per cent more than last year. Banamex, the group's bank and largest subsidiary, reported total net income of 2.36bn pesos last year, 2.5 per cent lower than 1993.

For the fourth quarter, Banacci lifted profits, including unrealised securities gains, to 1.36bn pesos, 39 per cent up on the same period last year. Banamex achieved profits of 626m pesos, compared with 743m pesos in the same quarter last year.

It blamed Banamex's drop in profits on Mexico's weak economy last year, lack of liquidity and its aggressive increase in provisions for loan losses.

Last year Banamex provided for 2.97bn pesos for loan losses.

## CONTRACTS & TENDERS



## LEGAL NOTICES

# INTERNATIONAL COMPANIES AND FINANCE

## Net income at Intel soars to $2.3bn

By Alan Cane

Intel, the US semiconductor maker whose microprocessors are used in most of the world's 100m personal computers, reported sharply higher earnings and revenues for 1993.

However, Wall Street regarded the figures as shy of expectations and yesterday at midday the shares were down $4¼ at $63.

Net income for 1993 was $2.3bn, the first time the company has broken the $2bn barrier and more than double the $1.07bn reported in 1992. Earnings per share more than doubled to $5.20 compared with $2.49 last year. Revenues were $8.78bn, a 50 per cent improvement on the $5.84bn in 1992.

Fourth-quarter revenues and net income, at $2.39bn and $594m respectively, were records, although the company said the results had been affected by heavier than usual start-up costs for chip factories in California and Ireland.

The figures confirm Intel's position as the world's leading semiconductor manufacturer, ahead of NEC of Japan, and the strength of demand for its most powerful microprocessors, including the new Pentium chip.

The company said it intended to maintain momentum with the launch within weeks of a product capable of transforming a conventional PC into a personal videoconferencing system.

The kit, including television camera and sound system, would be easily affordable by companies. It would soon be cheap enough for home use.

According to Dataquest, a US market research company, Intel's share of the world semiconductor market grew to 9.6 per cent, against 7.8 per cent last year.

Andrew Grove: increased production and cut prices

Mr Andrew Grove, Intel chief executive, said that during 1993, the company had increased production of its leading edge 486/DX2 and Pentium processors and cut prices: "In 1994, we plan to do more of the same. Our goal is to double the performance of the processors used at key price points."

Intel said strong orders in the fourth quarter should support revenue growth in the first quarter of 1994 and that demand continued to be strong in the PC market place.

Europe, which accounted for 28 per cent of sales, last year emerged as the company's fastest growing region with sales of $2.4bn, up 66 per cent on the 1992 figure of $1.44bn.

Intel has moved ahead of Philips of the Netherlands as Europe's leading semiconductor manufacturer.

See Lex

## BankAmerica held back in California

By Richard Waters

BankAmerica, the California-based banking group, missed out on the earnings advances at other big US banks in the final months of last year as it continued to await economic recovery in its home state.

The bank, the second largest in the US ranked by assets, met stock market expectations with fourth-quarter net income of $496m, or $1.21 a share, compared with $486m, or $1.18, in the preceding three months and $473m, or $1.18, in the last quarter of 1992.

For the year as a whole, after-tax earnings per share edged down to $4.76, from $4.81 last year, on net income up at $1.95bn from $1.68bn, in both cases after adjusting for the effects of the acquisition of Security Pacific in 1992.

Mr Richard Rosenberg, chairman and chief executive, pointed to continuing economic difficulties in California, where the bank earns an estimated two-thirds of its revenues.

He added that there had been encouraging events last year, including a record performance by its wholesale banking side and a record rise by the number of accounts opened on the consumer banking side.

BankAmerica reversed the decline in its loan book in the latest period, the first time loans have grown since early in 1992. Loans at the end of last year totalled $126.4bn, up from $125.6bn three months earlier.

However, the bank's net interest margin declined to 4.66 per cent, from 4.74 per cent in the previous period and 4.98 per cent the year before.

As a result, net interest income was lower than a year before.

Non-interest rose $112m to $1.1bn, due mainly to an $80m gain from the sale of real estate assets.

Like other US banks, BankAmerica saw a continuing improvement in the quality of its assets during the final period, with its provisions to cover loan losses falling to $150m in the quarter, compared with $270m a year before. Also, non-accruing assets fell by the end of the year to $2.9bn, from $5bn at the end of 1992.

These advances were less marked than improvements in credit quality at Wells Fargo, BankAmerica's west coast neighbour, which reported results late on Tuesday.

Wells Fargo's loan loss provision fell to $80m in the final quarter, down from $300m in the same period in 1992, while the full-year provision dropped to $550m from $1.2bn.

Wells Fargo's fourth-quarter net income rose to $190m, or $3.18 a share, compared with $58m, or $83 cents a share, a year before.

## Pfizer equity tumbles 8% as growth in sales slows

By Richard Waters in New York

Pfizer shares tumbled 8 per cent yesterday as the US drugs group reported a sharp slowdown in sales growth in the final three months of 1993.

Other leading pharmaceuticals stocks fell as investors anticipated a fall in sales at other companies.

Pfizer, which had seen faster sales increases than many other drugs groups as a result of successful drug launches, said sales grew by only 2 per cent in the last three months of the year, down from 9 per cent the year before. The share price fell $5.7 to $62 during morning trading in New York.

Sales in its core pharmaceuticals business slowed to 6 per cent during the period, from 13 per cent in the previous quarter.

The company pointed to "significant changes in trade inventory stocking patterns in the US and abroad" and the "timing of consumer health care trade promotions" during the latest period.

In spite of the slowdown in the latest period, the company still saw a 13 per cent rise for the year in drug sales, with the hypertension treatment Procardia XL, which contributes about a quarter of the total, up 11 per cent.

While revenue growth from drugs slowed down, other areas of the group, which contribute about a third of total sales, saw a fall in income. Sales of hospital products fell by 4 per cent in the latest period, while consumer health care products fell by 2 per cent.

While sales for the quarter were only slightly ahead at $1.98bn, research and development spending rose by 16 per cent compared with a year before, to $286m. As a result, operating income was just $5m higher, at $406m (before one-off items in 1992).

Net income for the period rose to $289m, or 90 cents a share, from $279m, or 83 cents a year earlier. Full-year net income was $658m, or $2.05, after the effects of a $575m post-tax restructuring charge announced in the third quarter, compared with $1.09bn, or $3.25, before accounting changes in 1992.

## Weyerhaeuser ahead despite pulp losses

By Laurie Morse in Chicago

Weyerhaeuser, the US forest products company reported earnings of $101.7m, or 50 cents a share, in the fourth quarter, in spite of a $21m loss for the quarter in its pulp and paper division.

Last year, fourth-quarter earnings were $85.3m, or 42 cents. Sales for the quarter were $2.59bn, a 10 per cent rise.

The company said prices for logs and lumber exceeded year-ago levels, lifting operating earnings from its timberlands and wood products segment to $258m, from $175m in the fourth quarter of 1992.

For the year, Weyerhaeuser recorded earnings of $579.3m, or $2.83, on sales of $9.54bn, compared with 1992 earnings of $372m, or $1.83, on sales of $9.27bn.

● Boise Cascade, the Idaho-based US forest products company, said its losses in the fourth quarter nearly matched a year ago, but that higher wood prices had increased revenues for the year. Losses continued at its pulp and paper operations.

Boise Cascade posted a net loss of $23.7m, or 98 cents, for the quarter, compared with a loss of $29.6m, or 97 cents, a year ago. Sales in the quarter were $997m, against $906m in last year's fourth quarter.

For the year, the company lost $77m, or $3.17, on sales of $4bn, compared with 1992 losses of $227.5m, or $6.73, on sales of $3.7bn.

## Loss worse than expected at AMR

By Richard Tomkins in New York

AMR, parent company of American Airlines, the second biggest US carrier, slumped into worse-than-expected after-tax losses of $253m in its fourth quarter after a brief period of profitability in the proceeding two quarters.

The main reason for the losses was a damaging strike by the airline's flight attendants which lost the company nearly all its passenger revenue for five days in November. AMR said yesterday the strike had cost $190m, compared with its earlier estimates of $160m.

It had warned the strike would bring fourth-quarter losses and the company would show a loss for the year but the figures were worse than most analysts had predicted.

The share price fell by a modest $¾ to $69½ in early trading as investors looked to a recovery in the airline's performance in the current year.

Fourth-quarter revenues were up to $3.59bn from $3.58bn, while the net losses of $253m, equivalent to $3.55 a share, compared with losses in the previous year's fourth quarter of $200m, or $2.66.

AMR said the latest figures had been hit by restructuring and other charges costing $62m, or 82 cents a share.

For the full year, revenue rose to $15.8bn from $14.4bn and net losses fell to $110m from $935m. Losses per share were down to $2.23 from $12.49.

● **KLM Royal Dutch Airlines** will keep a 20 per cent stake in the ordinary share capital of Northwest Airlines after Northwest's share issue, Reuters reports from Amsterdam.

The Dutch flag carrier said it would exchange Northwest preference shares into new ordinary shares to maintain its stake in the US airline, which announced a $400m stock initial public offering.

## Procter drops part of bid for German group

By Richard Tomkins

Procter & Gamble, the US consumer products group, is to drop part of its planned acquisition of VP-Schickedanz, the German maker of consumer hygiene products, because of concern that it could raise competition issues.

The purchase will exclude more than half of VPS's volume of feminine hygiene products. P&G said it had taken the decision after discussions with the European Commission's competition directorate.

The deal, originally thought to be worth about DM1bn ($580m), is P&G's first step into the $5.5bn-a-year European market for tissue products.

## Safra Republic rises 31.5% to $121.6m

By Ian Rodger in Zurich

Safra Republic, the Geneva-based international private banking group controlled by Mr Edmond Safra, has reported consolidated net income of $121.6m for 1993, 31.5 per cent higher than in 1992.

The directors are recommending a 22 per cent increase in the dividend to $2.75 a share.

Net interest income grew 10.4 per cent to $140.2m after loan loss provisions increased 30 per cent to $81m, reflecting an improvement in both lending volume and spreads.

Trading income jumped 31 per cent to $27.3m and commission income soared 74 per cent to $58.8m, thanks to the growth in earnings from group investment funds and other off-balance sheet client portfolio assets.

Profits on securities were up 9.6 per cent to $29.7m.

Total assets at December 31 1993 stood at $11.3bn, 9.1 per cent higher than a year earlier. A 6.4 per cent decline in client deposits to $5.9bn was more than offset by a 140 per cent jump in bank deposits to $1.4bn.

Shareholders' equity stood at $1.28bn at the year end, 13.2 per cent higher than a year earlier.

Some $90m of the increase came as a result of Safra adopting a financial standard (SFAS 115) requiring it to state securities at fair value.

## Ipsco to build $400m steel mill in Iowa

By Robert Gibbens in Montreal

Ipsco, western Canada's leading steelmaker, has chosen south-eastern Iowa for a US$400m mini-mill to produce hot-rolled coil and plate.

The mill, with 1m tonnes annual capacity, will be built under a turnkey contract by Germany's Mannesmann Demag. It will double Ipsco's steelmaking capacity.

It will make coil up to 96 inches wide and ¾ inch thick and plate up to 120 inches wide and two inches thick. The workforce will total 300 people and will start production in 1996.

Mr Roger Phillips, president, said Ipsco chose Iowa because of an abundant supply of scrap, low taxes and state aid.

# Lower gold price helps cut income at Gengold

By Matthew Curtin in Johannesburg

Gengold, the gold mining division of South Africa's Gencor group, has turned in a 7 per cent decline in after-tax income to R109.2m ($31.9m) in the December quarter, compared with R117.2m in the September period and R65.1m a year ago.

A combination of a lower gold price, depressed by outstanding low-priced forward sales contracts, and a small increase in working costs, dulled a good operating performance from most of the group's 10 producing gold mines.

Total gold output was unchanged at 16.7 tonnes, but the mines received an average gold price of R37,995 a kg, well below a spot price of R40,867 a kg for the quarter and lower than the previous quarter's R38,522 a kg.

Mr Gary Maude, managing director, said all the group's forward positions would be unwound by May exposing the mines fully to the current gold price.

He said the "star performer" was St Helena which had recovered strongly after its mining operations were halved in 1992/3 in a last-ditch attempt to stay in business.

Increasingly efficient underground mining led to higher tonnage, grades and gold output in addition to trimmed average working costs. After-tax profit jumped to R11.7m from R5.91m.

The only poor news came from Buffelsfontein, the group's biggest gold producer, which Mr Maude said had only three-and-half years of underground reserves at current gold prices.

The mine's gold output would be boosted by the end of the year by a new retreatment project, which would tackle more than 50m tonnes of dump material and keep the mine's mills turning over until the year 2010.

Mr Maude said a decision on whether the R1.8bn developing Oryx mine would close or be able to raise R900m to see it to commissioning would be made in December.

# Woolworths on course in Australia

Woolworths, the large Australian retailer which floated on the stock market last year, said yesterday that it was on course to meet its prospectus forecast of A$188.5m (US$131m) after tax in the year to June 26, writes Nikki Tait.

The reconfirmed forecast, still subject to the results of the annual stocktake, came as the group reported sales of A$6.1bn for the first half of the financial year, encompassing the important Christmas period. This compared with sales of A$5.48bn in the same period of the previous year.

Woolworths said that "like-for-like" store sales increased by 11.2 per cent, with each trading group with the company posting sales improvement well in excess of the 2 per cent inflation rate. It added that it saw some signs of "sustainable economic recovery which bode well for the remaining 24 weeks of our financial year".

Despite Australia's high unemployment levels, most big retailers are understood to have had a fairly comfortable Christmas, suggesting that consumer confidence among the nation's shoppers is finally picking up.

# WMC may appeal over Seabright

By Nikki Tait

Western Mining Corporation (WMC), the large Australian mining house, said yesterday it was considering an appeal to the Canadian Supreme Court, after the Nova Scotia appeal court decided not to overturn an earlier judgment against WMC over the acquisition of Seabright, a Nova Scotia exploration company.

It is the latest of several legal setbacks for WMC.

WMC, via a subsidiary, bought Seabright in 1987 for around C$92m (US$70m), as part of push into North America. However, within weeks of completing the acquisition, WMC described Seabright's Beaver Dam deposit, thought to be one of its most promising assets, as hopeless. By 1989, the Australian company had halted Seabright's operations and written off its investment.

WMC proceeded to sue Seabright's president, Mr Terence Coughlan, and other directors, for alleged fraud and negligence. They counter-sued WMC, levelling a variety of charges, including abuse of process.

Last year, Mr Justice Merlin Nunn, in the Nova Scotia Trial Division, delivered a judgment which was scathing of WMC's behaviour. He duly ordered the it to pay damages and costs, expected to exceed C$10m, to the president and six former directors of Seabright.

Yesterday, in the wake of the appeal court's decision, WMC said it still believed that its case had merit, and was "considering an appeal to the Supreme Court of Canada".

The Seabright affair has been only one of several costly legal debacles for WMC, one of Australia's largest mining companies, in recent months. It was forced to hand over the valuable Ernest Henry copper/gold deposit to Savage Resources in an out-of-court settlement after WMC's exploration team trespassed on a lease area, and then failed to advise Savage of its work.

And, last November, WMC and Ord Minnett paid A$20m to settle a case in which it was alleged that a report by the Australian stockbroker – stating that WMC's sale of a 50 per cent interest in the Lady Bountiful gold mine was "fair and reasonable" – was negligent. The payment, to a small exploration company called Consolidated Exploration, which had sold the stake to WMC, was split between the two firms.

# Japanese drug group licenses treatment

By Paul Abrahams in Tokyo

Ajinomoto, the Japanese pharmaceuticals, chemicals and food additives company, yesterday signed an agreement with Sandoz to licence a diabetes treatment to the Swiss drugs group.

The move demonstrates the increasing productivity and sophistication of Japanese drugs research.

Sandoz will pay a licence fee of at least Y1bn ($9m), as well as royalties equivalent to about 10 per cent of sales. The Basle-based group has acquired the rights to develop and market the drug.

Ajinomoto hopes the compound could be marketed in Japan as early as 1998 and eventually generate worldwide annual sales of Y50bn. Of these, 40 per cent would be domestic.

World-wide sales of diabetic drugs were about $2.5bn in 1992 and growing at about 10 per cent a year, according to Lehman Brothers, the international securities company.

Others developing or marketing similar drugs include Hoechst of Germany, and Upjohn and Pfizer of the US.

Ajinomoto's sales of drugs, amino acids and speciality chemicals were Y93.7bn in 1992, compared with a group turnover of Y667bn. The company is one of a number of Japanese groups that have diversified into pharmaceuticals in recent years.

# Li Ka-shing buys into San Miguel

By Jose Galang in Manila

Hong Kong property and telecommunications magnate Mr Li Ka-shing has bought 10 per cent of a Hong Kong affiliate of San Miguel, the Philippines' beer-and-food giant.

Mr Li's Cheung Kong Holdings bought 37.4m shares in San Miguel Brewery for HK$280.2m (US$36.2m). The purchase was made through subsidiary Conroy Assets.

# MIM posts A$18m half-time loss

By Nikki Tait in Sydney

MIM Holdings, the Queensland-based metals group, yesterday announced a loss of A$18.5m (US$12.8m) in the six months to December 12.

The first-half deficit compares with a surplus of A$71.3m in the same period the previous year, and was on revenues of A$996.4m against A$870.9m.

However, it came after items such as an abnormal loss of A$17.8m relating to MIM's joint venture smelting operations in Germany and a A$1.2m loss on foreign exchange.

Before these items, MIM posted a small A$7.1m profit, compared with a A$51.1m surplus in the first half of 1992-3.

The company also saw a better performance in the second quarter, compared with the first. Net profit before abnormals and foreign exchange in the second three months stood at A$14m, compared with A$16.6m last time.

MIM said that average base metal prices received during the six months remained "significantly weaker than a year ago, with copper and lead continuing to deteriorate in the recent quarter and zinc improving". A weaker Australian dollar only partially offset this. Overall, the average Australian dollar price for copper was down by 21 per cent on a year ago. For lead, prices were down by 20 per cent and for zinc, by 22 per cent.

However, the group also said that sales volumes rose significantly year-on-year in the first half. Late in the quarter, it also noted an improvement in metal prices, albeit from very low levels.

MIM stressed that its continuing cost-reduction programme "remains firmly in place," and said it was continuing its review of assets and investments.

On specific projects, MIM said that production at the McArthur River zinc-lead-silver mining development remained on schedule for 1995, while a geological drilling programme had been completed on the Ernest Henry deposit. "Preliminary results from this indicate that a high-grade concentrate can be made with good metal recovery from the primary ores," MIM said.

Exploration activity remained focused on copper and gold, with expenditure in the first half totalling A$38m.

● Pasminco, the Australian zinc and lead producer, yesterday announced that group metal production fell during the first half of 1993-4, compared with the previous year.

Zinc production was down 11 per cent, due to the sale of its Avonmouth smelter in the UK to MIM Holdings and a scheduled shutdown at Pasminco Metals-Sulphide.

# Threat to friendship of convenience

## MIM's network of investments and commercial ties needs an overhaul, writes Nikki Tait

If the Metallgesellschaft rescue plan, agreed last weekend, resolved the immediate future of the German metals group, it did nothing to erase question marks hanging over Brisbane-based MIM Holdings.

The two companies have been bound together for over a decade, by share stakes in each other and a number of jointly-held commercial interests. From MIM's point of view, the relationship has formed part of a broader network of cross-holdings. The aim was partly defensive, as protection against corporate raiders, and partly commercial, to foster its "international development".

For example, via its relationship with Metallgesellschaft and with the Germans' Metall Mining subsidiary in Canada, MIM acquired an interest in Cominco, the Canadian natural resources group. Today, MIM's directly-owned stake in Cominco stands at 8.7 per cent. It is also an equal partner with Canada's Teck Corporation in an investment company, called Nunachiaq, which owns another 27.7 per cent.

The problem is that this "investment" strategy, debatable from the outset, has looked increasingly misdirected. Sizeable sums – over A$1.4bn (US$975m) at the last balance sheet date – have been tied up in such holdings, but returns have been paltry. In 1992/3, for example, investment interests contributed just A$32m to net profits; in the previous year, under A$44m.

Such lack of performance has come to matter more, as MIM's core base metals business has struggled in the face of depressed prices and recessionary conditions. In 1992/3, the group's net profit slipped by 30 per cent to A$74m, and yesterday's results showed a further loss of A$18.5m. Admittedly, the latest deficit was largely due to a A$17.8m abnormal item, and MIM did note a tentative recovery in metal prices late in the quarter. Even so, at the pre-tax level, profit was A$31.6m, less than one-third of last time's A$97.2m.

Debt, by contrast, has been rising; long-term loans topped A$1.8bn at end-June. MIM's credit ratings are only within the investment grade range; Standard & Poor's gives a "BBB" assessment.

So when financial pressures forced Metallgesellschaft to place the bulk of its 13.9 per cent stake in MIM last month, the spotlight turned on MIM's general investment strategy. Stockbrokers ANZ McCaughan said: "Unless MIM can increase the return . . . in the near future, the investments should be sold."

In response, MIM has given every signal that it recognises the problem, and would like to do something about it. At the November annual meeting, the company told shareholders "quite simply, we must make your money work better". Norm Fussell, MIM's chief executive, added that all assets were under review, a line which the company has continued to repeat.

Even before Metallgesellschaft's upheavals, MIM had started to disentangle some of the German commercial ties. A restructuring scheme for the jointly-held zinc smelting interests was devised, so that both companies would end up with full ownership of specific assets. Some smaller financial investments have also been sold, including a 12.4 per cent interest in Evans Deakin, an Australian engineering business, and a 2.4 per cent holding in Renison Goldfields.

But, in dollar terms, these interests were never the main ones. Of the A$1.4bn "investment" portfolio at end-June, the Asarco, Cominco/Nunachiaq, Metallgesellschaft holdings accounted for over half. MIM's 35 per cent interest in Norddeutsche Affinerie, the Hamburg-based copper group in which Metallgesellschaft holds a similar stake, was valued at another A$139.9m.

The problem for MIM is that the uncertainties that now surround Metallgesellschaft, coupled with the depressed metal industry conditions which have led both Cominco and Asarco into losses for the first nine months of 1993, make action on these interests a lot more difficult in the short-run.

The Cominco share price, for example, has tumbled from around A$35 at end-1989 to some A$20 at present. Asarco is little better, having dropped from around A$45 to about A$27 over the same period. There are even some suggestions that the workout at Metallgesellschaft could lead to a sale of Metall-owned assets – which, in turn, might muddy any Cominco share disposal situation for MIM. MIM says only that it is too early for any comment.

And, in the meantime, the Australian group remains vague about whether – or when – interests, such as the 3.5 per cent Metallgesellschaft holding, might be need to be revalued. This would be a matter for directors, says the company; its "normal" practice is to review holdings on a three-year basis. However, the Queensland group does add that it sees "no reason to suppose that exchange of German smelting interests will not go ahead".



Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

| 1/2 hour period ending | Pay-along Price for Trading on 20 01 94: Pool purchase price £/MWh | Final Prices for Trading on 23 12 93: Pool purchase price £/MWh | Pool selling price £/MWh |
|---|---|---|---|
| 0030 | 18.08 | 18.20 | 18.20 |
| 0100 | 26.22 | 20.65 | 22.14 |
| 0130 | 26.22 | 23.15 | 24.64 |
| 0200 | 26.22 | 23.15 | 24.64 |
| 0230 | 26.22 | 23.15 | 24.64 |
| 0300 | 26.22 | 23.15 | 24.64 |
| 0330 | 26.22 | 23.15 | 24.64 |
| 0400 | 26.22 | 21.29 | 22.78 |
| 0430 | 23.15 | 18.05 | 18.05 |
| 0500 | 22.70 | 18.04 | 18.04 |
| 0530 | 22.72 | 20.73 | 22.28 |
| 0600 | 22.72 | 20.71 | 22.20 |
| 0630 | 23.00 | 21.46 | 22.95 |
| 0700 | 23.00 | 22.78 | 24.27 |
| 0730 | 23.71 | 23.52 | 25.01 |
| 0800 | 30.79 | 23.52 | 25.01 |
| 0830 | 30.79 | 23.52 | 25.01 |
| 0900 | 30.79 | 23.52 | 25.01 |
| 0930 | 30.79 | 25.47 | 26.96 |
| 1000 | 30.73 | 25.47 | 26.96 |
| 1030 | 28.29 | 25.47 | 26.96 |
| 1100 | 24.77 | 28.85 | 30.34 |
| 1130 | 24.77 | 25.47 | 26.96 |
| 1200 | 24.77 | 34.03 | 35.51 |
| 1230 | 24.77 | 34.03 | 35.51 |
| 1300 | 24.77 | 34.03 | 35.51 |
| 1330 | 24.12 | 34.03 | 35.51 |
| 1400 | 23.93 | 23.52 | 25.01 |
| 1430 | 23.28 | 23.52 | 25.01 |
| 1500 | 23.28 | 23.52 | 25.01 |
| 1530 | 23.28 | 23.52 | 25.01 |
| 1600 | 23.34 | 23.52 | 25.01 |
| 1630 | 36.36 | 31.33 | 32.82 |
| 1700 | 44.57 | 31.35 | 32.84 |
| 1730 | 48.08 | 34.07 | 35.56 |
| 1800 | 47.17 | 34.06 | 35.55 |
| 1830 | 28.91 | 34.04 | 35.54 |
| 1900 | 27.32 | 34.04 | 35.53 |
| 1930 | 26.95 | 28.74 | 28.23 |
| 2000 | 26.73 | 25.58 | 27.07 |
| 2030 | 24.39 | 23.52 | 25.01 |
| 2100 | 24.39 | 23.52 | 25.01 |
| 2130 | 23.76 | 23.52 | 25.01 |
| 2200 | 23.28 | 23.52 | 25.01 |
| 2230 | 23.28 | 23.52 | 25.01 |
| 2300 | 18.05 | 18.07 | 18.07 |
| 2330 | 17.95 | 18.04 | 18.04 |
| 2400 | 17.95 | 18.02 | 18.02 |

Prices are determined for every half-hour in each twenty four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.86/MWh becomes 1.886p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0532-456780 between 8.30am and 5.15pm Monday to Friday.
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## INTERNATIONAL CAPITAL MARKETS

# Long gilts rally on renewed hopes of early cut in base rates

By Antonia Sharpe and Tracy Corrigan in London

UK government bonds rallied more than one point at the long end following the release of weaker-than-expected retail sales and inflation data for December, which revived speculation of an early cut in interest rates.

News that the public spending borrowing requirement last month was £2.11bn – well below the consensus market forecast of £5.1bn – also fuelled the market's rally.

"The data have put the market on a more confident footing," said Mr Julian Callow, international economist at Kleinwort Benson. He added that the market could be further encouraged by the release tomorrow of preliminary gross domestic product data for the fourth quarter and December money supply figures.

The March long gilt future on Liffe rose as high as 120 13/32 but traded at 119 28/32 in late trading, up ⅞ on the day.

Hopes of a rate cut also lifted the short end where the March short-term Eurosterling future rose to 94.81 from 94.73.

■ German government bonds and futures came off the day's highs yesterday as traders took the view that the Bundesbank would not announce a cut in official interest rates after its fortnightly council meeting today. Analysts added that nervousness over the situation in Russia and elections in Germany this year also hung over the market.

The Liffe March bund future traded at 100.58 late in the day in brisk volume of 141,357 lots, below the day's high of 100.90 and down 0.13 point from Tuesday's close.

### GOVERNMENT BONDS

■ Encouraging industrial production data for November contributed to the firm tone in the French government bond market, prompting a further narrowing of the yield differential between 10-year French and German government bonds to less than two basis points.

Talk of an interest rate cut in France independent of Germany also supported the market. The March 10-year future settled at 131.12, up 0.10 point on the day in volume of 181,470 lots.

■ News that Italian treasury minister Mr Piero Barucci had signed a decree regarding the refund of a 12.5 per cent withholding tax on bond coupon payments to eligible non-residents lifted Italian bond futures yesterday.

The March futures contract on Liffe opened at 118.90 and went as high as 119.12, but failed to stay above the 119 chart resistance point for long. It settled back at 118.80 in late trading, giving a gain of 0.3 point on the day. Trading volume was moderate at 65,412 contracts.

Mr Marco Pianelli, southern European economist at Nomura in London, said that the market's upside had been limited by the political uncertainty ahead of the country's general election in March.

However, he added that the release tomorrow of favourable preliminary inflation figures for January could provide the bond market with fresh impetus.

■ Japanese government bond futures fell to their lowest close since November 25 as market sentiment remained bearish.

The March futures contract closed at 114.68, down from 114.95 on Tuesday.

■ US Treasury prices failed to react significantly to the release of the Federal Reserve's Beige Book, the regional survey of economic conditions, which showed strong growth in the fourth quarter of last year.

Dealers said prices were mixed, despite the fact that the data underlined expectations that the Federal Reserve will start to tighten monetary policy at the end of the first quarter.

"The problem is that we are still waiting for more economic information, particularly for this year," said one analyst. "It looks as if the market is hanging in there, but this increases the chances of further yield curve flattening."

The market was also waiting for news of two- and five-year auctions, which are due next week.

# SEK offers Swedish krone Eurobond

By Conner Middelmann

Swedish Export Credit's (SEK) latest offering – the first global Swedish krone Eurobond – was the focus of the market yesterday, while the day's other feature was a flurry of structured floating-rate note issues, mostly in US dollars.

SEK issued SKr2.5bn of 6.5 per cent bonds due June 2001, which were priced to yield 11 basis points over the 13 per cent Swedish government benchmark bond at the re-offer price of 99.359.

The deal met strong demand from investors in the US and Europe, according to a syndicate official at lead manager Merrill Lynch.

Towards the end of the day, the bonds were trading at 99.40 bid, the yield gap having narrowed to 10 basis points.

"People are very positive on the krone market: they expect the currency to appreciate; they like the yield pick-up over other European markets; and they hope that yields will decline further as interest rates continue getting cut," said a trader at another bank, who reported keen interest in the paper.

Others felt the bond's pricing was on the tight side, compared with some outstanding SEK krone Eurobonds which yield around 30 basis points over government bonds. However, global bonds tend to be more tightly priced as they are considered to be more liquid and usually have a wider investor base.

### INTERNATIONAL BONDS

SEK also issued $100m of one-year so-called "corridor," or range, floating-rate notes, a structure where interest only accrues when three-month Libor falls within a specific range during certain dates.

Yesterday's other range-floaters included $75m of one-year notes for Rabobank Nederland via Goldman Sachs; $150m of two-year notes for Canada's Export Development Corporation via Swiss Bank Corporation; $100m of two-year notes for Osterreichische Postsparkasse via SBC; $100m of two-year notes for the World Bank via Morgan Stanley; and $150m of two-year notes for UBS, via UBS.

"Structured floaters have become the flavour of the month – they're likely to take over from collared FRNs," said one trader. Collared floaters are structured so that the coupon range is limited by a floor and a ceiling rate.

The structure of most corridor floaters implies that investors take the view that short-term US interest rates will not be very volatile, and that if they rise, they will do so only very slowly, the trader said.

"If you call interest rates right, you can get very nice returns; of course, if you don't, you get nothing," said another dealer. He added that these relatively highly leveraged instruments have seen strong demand from institutional investors and money market fund managers, who are taking an increasingly aggressive approach to their portfolios in the current low-yield environment.

In the dollar sector, Mexico's Banco Nacional de Comercio Exterior (Bancomext) is set to launch its $1bn 10-year global offering via Merrill Lynch and Goldman Sachs today. The bonds are expected to be launched at a spread of 155-165 basis points over Treasuries.

In the sterling market, the European Investment Bank is expected to issue £300m-£400m 10-year bonds today.

While the pricing is expected to be tight and the 10-year sector of the Eurosterling market is weighed down with recent supply, the bonds are expected to meet with solid demand from institutional and multi-currency investors.

Elsewhere, the City of Prague was awarded an implied triple-B senior debt rating with a positive outlook by Standard & Poor's – the first investment grade rating for a municipality in central Europe. The rating comes as Prague prepares its entry into the Eurobond market.

According to the city's mayor, Mr Jan Koukal, "obtaining a rating was an important step in the implementation of our international borrowing plans. We will now focus on obtaining cost-effective and diversified financing."

Pending approval by the city's governing general assembly, Prague is expected to tap the market in the next two months, with market talk focusing on a $200m-$250m issue of five-year bonds.

Nomura International, which acted as Prague's rating adviser, is among the banks tipped to lead-manage the issue.

## NEW INTERNATIONAL BOND ISSUES

| Borrower | Amount m. | Coupon % | Price | Maturity | Fees % | Spread bp | Book runner |
|---|---|---|---|---|---|---|---|
| **US DOLLARS** | | | | | | | |
| PIV Investment Fin.(Cay.Is)§ | 175 | (4½-5)# | 100.00 | Dec.2000 | 2.50 | - | Morgan Stanley Intl. |
| Union Bank of Switz.Finance‡ | 150 | (b,e) | 100.00R | Feb.1996 | 0.15R | - | UBS |
| Export Development Corp.‡ | 150 | (c,e) | 100.00R | Feb.1996 | 0.15R | - | Swiss Bank Corp. |
| World Bank‡ | 100 | (c,e) | 100.00R | Feb.1996 | 0.15R | - | Morgan Stanley Intl. |
| Oest. Postsparkasse‡ | 100 | (c,e) | 100.00R | Feb.1996 | 0.15R | - | Swiss Bank Corp. |
| Swedish Export Credit‡ | 100 | (d,e) | 100.00R | Feb.1995 | 0.15R | - | Morgan Stanley Intl. |
| Rabobank Nederland‡ | 75 | (k,e) | 100.00R | Feb.1995 | 0.10R | - | Goldman Sachs Intl. |
| LTCB of Japan‡ | 50 | (f) | 101.60 | Feb.2004 | 2.00 | - | LTCB International |
| ICE, Costa Rica | 50 | 8.375# | 100.0391R | Jan.1997 | 1.00R | +395(4⅝%-96) | Santander Investment Bank |
| **D-MARKS** | | | | | | | |
| Frankfurther Hypothekenbank‡ | 125 | (g) | 101.70 | Feb.2004 | 2.30 | - | Deutsche Bank |
| **YEN** | | | | | | | |
| World Bank‡ | 50bn | (h) | 106.40 | Feb.2001 | undiscl. | - | Nikko Europe |
| **FRENCH FRANCS** | | | | | | | |
| Remy Cointreau | 700 | 5.875 | 99.56R | Feb.1999 | 0.325R | +85 (8½%-99) | Crédit Lyonnais |
| **GUILDERS** | | | | | | | |
| NIO | 250 | 5.625 | 99.30R | Feb.2004 | 0.25R | +12 (5¾%-04) | ABN Amro Bank |
| **AUSTRALIA DOLLARS** | | | | | | | |
| SAFA | 250 | 6.25 | 100.95 | Feb.1999 | 2.00 | - | Hambros Bank |
| **SWEDISH KRONOR** | | | | | | | |
| Swedish Export Credit(i) | 2.5bn | 6.50 | 99.359R | Jun.2001 | 0.50R | +11 (13%-01) | Merrill Lynch Intl. |
| **DANISH KRONER** | | | | | | | |
| Danske Naturgas | 500 | 6.00 | 101.42 | Feb.2004 | 2.00 | - | Deutsche Bank London |
| **SWISS FRANCS** | | | | | | | |
| LB Rheinland-Pfalz(j)Φ | 120 | 2.25 | 100.00 | Feb.2004 | - | - | Merrill Lynch Cap.Mkts. |

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. §Convertible. ΦWith equity warrants. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) Conv premium indicated at 18-22%. Callable at par plus accrued after 3 yrs or earlier subject to 150% rule. Overallotment option: $26.25m. b) Coupon: 3-mth Libor +1%. c) Coupon: 3-mth Libor +¾%. d) Coupon: 3-mth Libor +⅞%. e) Interest only accrues on days 3-mth Libor falls within specified ranges. f) Coupon: 6-mth Libor +½% to 18/2/97 and 8% fxd thereafter. Callable in Feb.97 at par. g) Coupon: 5¼% fxd for 1st 2 yrs, 6-mth Libor flat for next 4 yrs and 7% fxd thereafter. h) Coupon: 6-mth Libor +0.3%. i) Short 1st coupon. j) Denom.. SFr5,000 +70 3-yr wrts. 30 wrts entitle holder to 1 UBS bearer at SFr1,440. k) Coupon: 4.5 x range factor, semi-annual bond basis.

# Volume surges on Budapest exchange

By Nicholas Denton in Budapest

Trading volume on the Budapest stock exchange rose by 450 per cent to Ft186bn ($1.85bn) in 1993 while the value of the market more than doubled to Ft441.8bn, the exchange said in its annual report.

Government bonds and treasury bills made up the bulk of trading, accounting for 69 per cent of market value at the year-end. The capitalisation of Hungarian shares rose sharply in the last few months, closing 73 per cent higher at Ft81.7bn.

The upsurge in equity values was helped by a wave of new issues which lifted the number of listed shares from 23 in January to 28 by December. The exchange expects a further eight to 10 flotations during 1994.

Last year the exchange installed a VAX-based computer trading system and also set up a central clearing house and depository.

# Fund manager links with CIBC

TAL Investment Counsel, Canada's second-biggest pension fund manager, is joining forces with the Canadian Imperial Bank of Commerce to create a money management group administering C$20bn (US$15.2m) of assets, writes Robert Gibbens in Montreal.

CIBC will contribute C$7bn in assets under administration and will hold 55 per cent of the new company.

TAL will contribute C$13bn and hold 45 per cent with equal voting rights.

## WORLD BOND PRICES

### BENCHMARK GOVERNMENT BONDS

| | | Coupon | Red Date | Price | Day's change | Yield | Week ago | Month ago |
|---|---|---|---|---|---|---|---|---|
| Australia | | 9.500 | 08/04 | 121.1100 | +0.400 | 6.27 | 6.33 | 6.74 |
| Belgium | | 7.250 | 04/04 | 104.9300 | +0.180 | 6.57 | 6.47 | 6.63 |
| Canada * | | 7.500 | 12/03 | 108.2000 | +0.500 | 6.37 | 6.40 | 6.74 |
| Denmark | | 7.000 | 12/04 | 106.3700 | -0.330 | 5.93 | 5.90 | 6.24 |
| France | STAN | 8.000 | 12/98 | 111.1200 | -0.010 | 5.05 | 4.95 | 6.05 |
| | OAT | 6.750 | 10/03 | 108.1000 | -0.020 | 5.64 | 5.62 | 5.80 |
| Germany | | 6.000 | 09/03 | 102.7000 | +0.070 | 5.62 | 5.57 | 5.70 |
| Italy | | 8.500 | 01/04 | 100.9200 | -0.460 | 8.36† | 8.57 | 8.68 |
| Japan | No 119 | 4.800 | 06/99 | 109.8240 | -0.580 | 2.72 | 2.35 | 2.49 |
| | No 157 | 4.500 | 06/03 | 108.0720 | -1.490 | 3.37 | 3.01 | 3.16 |
| Netherlands | | 5.750 | 01/04 | 101.1000 | - | 5.60 | 5.58 | 5.70 |
| Spain | | 10.500 | 10/03 | 117.4800 | +1.380 | 7.86 | 8.09 | 8.33 |
| UK Gilts | | 9.750 | 01/98 | 114-15 | +10/32 | 5.62 | 5.77 | 5.61 |
| | | 6.750 | 11/04 | 104-29 | +27/32 | 6.06 | 6.20 | 6.19 |
| | | 9.000 | 10/08 | 124-09 | +46/32 | 6.43 | 6.54 | 6.47 |
| US Treasury * | | 5.750 | 08/03 | 100-08 | -1/32 | 5.72 | 5.55 | 5.78 |
| | | 6.250 | 08/23 | 99-16 | -7/32 | 6.29 | 6.16 | 6.28 |
| ECU (French Govt) | | 6.000 | 04/04 | 100.6900 | +0.580 | 5.90 | 5.88 | 6.15 |

London closing, *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

### BOND FUTURES AND OPTIONS

#### France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 131.18 | 131.12 | +0.10 | 131.34 | 131.08 | 181,470 | 139,120 |
| Jun | 130.70 | 130.62 | +0.10 | 130.82 | 130.58 | 1,273 | 10,912 |
| Sep | 129.82 | 129.74 | +0.10 | 129.82 | 129.82 | 2 | 1,140 |

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

| Strike Price | CALLS Feb | CALLS Mar | CALLS Jun | PUTS Feb | PUTS Mar | PUTS Jun |
|---|---|---|---|---|---|---|
| 129 | - | 2.26 | - | - | 0.11 | 0.61 |
| 130 | 1.20 | 1.35 | - | 0.06 | 0.28 | 0.95 |
| 131 | 0.35 | 0.69 | 1.10 | 0.25 | 0.59 | 1.42 |
| 132 | 0.06 | 0.29 | 0.65 | - | - | - |
| 133 | - | 0.10 | 0.40 | - | - | - |
| 134 | - | - | - | - | - | - |

Est. vol. total, Calls 21,685 Puts 18,300. Previous day's open int., Calls 287,741 Puts 325,715.

#### Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 100.82 | 100.65 | -0.06 | 100.90 | 100.55 | 142496 | 149985 |
| Jun | 100.73 | 100.61 | -0.06 | 100.87 | 100.66 | 512 | 2521 |

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

| Strike Price | CALLS Mar | CALLS Jun | PUTS Mar | PUTS Jun |
|---|---|---|---|---|
| 10050 | 0.54 | 0.98 | 0.39 | 0.87 |
| 10100 | 0.32 | 0.74 | 0.67 | 1.13 |
| 10150 | 0.17 | 0.56 | 1.02 | 1.45 |

Est. vol. total, Calls 22934 Puts 15297. Previous day's open int., Calls 188697 Puts 135979

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 103.25 | 103.28 | 0.04 | 103.31 | 103.23 | 784 | 9417 |

#### Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 119.00 | 118.79 | -0.01 | 119.12 | 118.67 | 70295 | 89216 |
| Jun | 119.03 | 119.05 | 0.14 | 119.20 | 119.00 | 730 | 1517 |

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

| Strike Price | CALLS Mar | CALLS Jun | PUTS Mar | PUTS Jun |
|---|---|---|---|---|
| 11850 | 1.26 | 2.61 | 0.97 | 2.06 |
| 11900 | 1.01 | 2.36 | 1.22 | 2.31 |
| 11950 | 0.77 | 2.12 | 1.48 | 2.57 |

Est. vol. total, Calls 3193 Puts 3612. Previous day's open int., Calls 46262 Puts 48324

#### Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 106.49 | 106.44 | +0.03 | 106.70 | 106.35 | 46,488 | 81,342 |
| Jun | 106.41 | 106.38 | +0.34 | 106.49 | 106.41 | 310 | 7,646 |

#### UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 119-03 | 120-00 | 0-31 | 120-13 | 119-01 | 118132 | 97770 |
| Jun | 119-20 | 119-11 | 0-30 | 119-20 | 119-13 | 189 | 255 |

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

| Strike Price | CALLS Mar | CALLS Jun | PUTS Mar | PUTS Jun |
|---|---|---|---|---|
| 120 | 0-61 | 1-34 | 0-61 | 2-12 |
| 121 | 0-33 | 1-08 | 1-33 | 2-50 |
| 122 | 0-16 | 0-61 | 2-16 | 3-29 |

Est. vol. total, Calls 13518 Puts 14430. Previous day's open int., Calls 89420 Puts 63937

#### Ecu

■ ECU BOND FUTURES (MATIF)

| | Open | Sett price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 121.62 | 121.90 | +0.40 | 121.96 | 121.60 | 4,679 | 15,557 |
| Jun | 96.96 | 96.96 | +0.28 | 96.96 | 96.96 | - | 60 |

#### US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

| | Open | Latest | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 116-02 | 115-27 | -0.04 | 116-03 | 115-19 | 248,804 | 317,352 |
| Jun | 114-31 | 114-24 | -0.04 | 115-01 | 114-17 | 3,792 | 16,046 |
| Sep | 113-31 | 113-22 | +0.03 | 113-31 | 113-20 | 2,164 | 20,897 |

#### Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

| | Open | Close | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 114.70 | - | - | 115.49 | 114.62 | 3072 | 0 |

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

### FT-ACTUARIES FIXED INTEREST INDICES

| Price Indices UK Gilts | Wed Jan 19 | Day's change % | Tue Jan 18 | Accrued interest | xd adj. ytd | | Low coupon yield Jan 19 | Jan 18 | Yr. ago | Medium coupon yield Jan 19 | Jan 18 | Yr. ago | High coupon yield Jan 19 | Jan 18 | Yr. ago |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Up to 5 years (26) | 129.77 | +0.29 | 129.39 | 1.75 | 0.62 | 5 yrs | 5.57 | 5.68 | 7.00 | 5.82 | 5.94 | 7.41 | 5.91 | 6.05 | 7.63 |
| 2 5-15 years (21) | 164.02 | +0.88 | 162.59 | 2.83 | 0.10 | 15 yrs | 6.31 | 6.45 | 8.36 | 6.41 | 6.56 | 8.83 | 6.65 | 6.77 | 9.11 |
| 3 Over 15 years (8) | 189.90 | +1.57 | 188.59 | 0.89 | 1.04 | 20 yrs | 6.43 | 6.57 | 8.64 | 6.45 | 6.60 | 9.05 | 6.67 | 6.79 | 9.20 |
| 4 Irredeemables (6) | 229.30 | +2.17 | 224.42 | 1.99 | 0.00 | Irred.† | 6.55 | 6.70 | 9.05 | | | | | | |
| 5 All stocks (61) | 158.00 | +0.83 | 156.95 | 2.15 | 0.53 | | | | | | | | | | |

| Index-linked | | | | | | | Inflation 5% 2.17 | Jan 18 | Yr. ago | Inflation 10% Jan 19 | 2.90 | Yr. ago |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6 Up to 5 years (2) | 191.74 | +0.10 | 191.55 | 1.49 | 0.00 | Up to 5 yrs | 2.17 | 2.20 | 2.42 | 1.39 | 1.42 | 1.55 |
| 7 Over 5 years (11) | 192.97 | +0.93 | 191.18 | 0.43 | 0.57 | Over 5 yrs | 2.90 | 2.96 | 3.61 | 2.74 | 2.80 | 3.62 |
| 8 All stocks (13) | 191.90 | +0.85 | 190.28 | 7.40 | 0.51 | | | | | | | |

| Debentures and Loans | | | | | | 5 year yield Jan 19 | Jan 18 | Yr. ago | 15 year yield Jan 19 | Jan 18 | Yr. ago | 25 year yield Jan 19 | Jan 18 | Yr. ago |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9 Debs & Loans (68) | 158.53 | +1.83 | 155.81 | 2.52 | 0.39 | 7.19 | 7.43 | 8.92 | 7.40 | 7.60 | 9.92 | 7.53 | 7.71 | 10.07 |

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

### FT FIXED INTEREST INDICES

| | Jan 19 | Jan 18 | Jan 17 | Jan 14 | Jan 13 | Yr ago | High* | Low* |
|---|---|---|---|---|---|---|---|---|
| Govt. Secs. (UK) | 106.91 | 106.13 | 105.75 | 105.77 | 106.00 | 93.48 | 107.60 | 93.28 |
| Fixed interest | 132.79 | 131.57 | 131.54 | 131.64 | 131.91 | 108.67 | 132.79 | 108.67 |

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed interest high since compilation: 132.79 (19/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

### GILT EDGED ACTIVITY INDICES

| | Jan 18 | Jan 17 | Jan 14 | Jan 13 | Jan 12 |
|---|---|---|---|---|---|
| Gilt Edged bargains | 138.6 | 101.6 | 123.6 | 123.7 | 105.0 |
| 5-day average | 118.5 | 123.9 | 129.2 | 121.9 | 115.2 |

### FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on January 19

[illegible]

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. [illegible] CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. [illegible]



### UK GILTS PRICES

[illegible]

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

# QMH calls in the lawyers

By Maggie Urry

Queens Moat Houses, the hotel group currently negotiating a £1.3bn financial restructuring, has had to call in lawyers to sort out an embarrassing technical hitch.

Mr Andrew Coppel, chief executive, said yesterday, "It is simply a corporate legal irritation". He said it would not delay the group's refinancing.

QMH admitted it had failed to give holders of its 7 per cent convertible preference shares, which were issued in 1985 in a rights issue, the chance to vote in September 1989 and August last year on resolutions to increase the group's borrowing powers.

This means the resolutions, which increased the group's borrowing powers, were not valid. It also calls into question the validity of other resolutions passed at the same meetings.

However, it said the invalidity of the borrowing powers resolutions did not mean the company's borrowings could be called into question.

The discovery has raised "complex issues" the company said, and it has appointed Freshfields, the City solicitors, and leading counsel to advise on how to resolve them. Mr Coppel said QMH had been advised it would not need to hold last year's annual meeting again.

The other resolutions passed at the agm, which was adjourned in August and concluded in November, included the appointment of Mr Coppel as chief executive, and in November the adoption of the annual report.

QMH said it would "communicate with shareholders and all other relevant parties" once the position was clear.

At the end of 1992 there was £9.17m worth of preference shares outstanding, which would convert into a total of 20.8m ordinary shares against the total of 924.3m QMH has in issue at present. Each preference share has one vote.

The problem does not affect the much larger class of 7½ per cent convertible preference shares issued in 1991.

# A changing landscape in the race for space

## Tesco takes to the Metro line with its programme of 'compact' expansion. Neil Buckley reports

It was Mr Archie Norman, Asda's chief executive, who first broke ranks with the UK's leading grocers to warn of leaner times ahead, but it took Tesco's chairman, Sir Ian MacLaurin, to change the food retailing landscape.

His announcement yesterday spelt the end of the era of unbridled superstore expansion which he helped to usher in.

The Tesco of the next few years will be a different animal from three years ago, when it launched a £585m rights issue to fund its aggressive opening programme.

Then it regarded the ideal store size as 35,000 sq ft to 65,000 sq ft, and was celebrating the opening of its biggest-ever store, at 72,000 sq ft.

Capital expenditure for the year to February 1991 was £925m, and Tesco said "we continue to find a large number of opportunities to develop ... stores on quality sites."

Contrast that with yesterday's assertion that "it is widely understood that currently there is a diminishing number of profitable prime superstore sites available."

Tesco added that it had to safeguard its returns on investment in the light of growing pressure on margins.

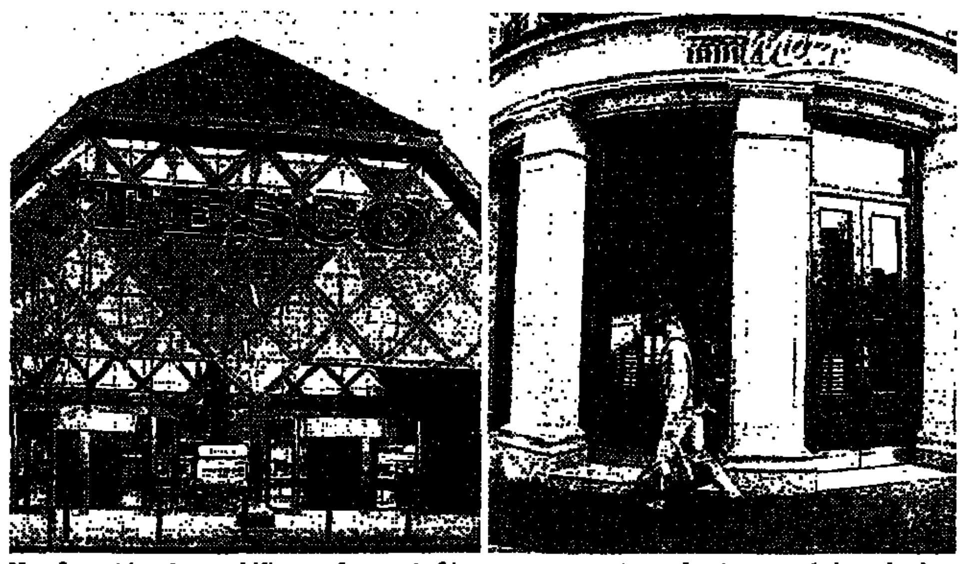
The admissions are significant. Some analysts speculated when market leader Sainsbury's launched its price-cutting programme in November that it might have a "hidden agenda". Having recognised the over-capacity in the industry, was it trying to force one or both of its main competitors to cut back their expansion programmes, by putting pressure on margins?

Argyll and Tesco have indeed both responded. Argyll said last month it was cutting capital spending this year from £650m to £550m, and bowed to pressure to depreciate buildings over 40 years.

However, as one analyst put it yesterday: "Argyll opened the door, and Tesco charged through it."

On depreciation, Tesco is following Argyll's lead and depreciating buildings over 40 years. But it has also recognised that it paid "premiums" for much of its land above its alternative use value, and decided to amortise those premiums over 25 years, leading to a total charge of £158m against profits this year.

More significantly, it is cutting spending from £750m this year to a projected £450m to £500m in the year to February 1997.



New format involves a shift away from out-of-town superstores to market towns and city suburbs

Floor space expansion will be cut back from 1.2m sq ft in 1991-92 to about 450,000 sq ft in 1996-97. Tesco also expects the average new store costs to shrink from £22m to £16m over three years.

That reflects a shift away from out-of-town superstores towards the Metro city centre format, and the "compact" superstore format of about 20,000 sq ft, aimed at market towns and city suburbs.

Mr David Reid, finance director, said he expected of 20 projected openings in 1996-97, three or four would be Metros, seven or eight compact stores, and the balance – less than half – larger superstores.

Tesco thinks there is scope for about 50 Metros – with nine planned by September.

It admitted yesterday that it was looking at new trading formats, building on Tesco's existing strengths in selling "grocery and grocery-related products".

It will also be expanding the Catteau chain in France by up to six stores a year, generally through organic growth. It claims not to have plans for further large acquisitions overseas at present.

As UK expansion slows, more effort will go into maximising returns from existing space. Tesco insists there is scope for "significant savings" in operating costs, which will then be reinvested in improving service to try to enhance customers' loyalty and persuade them to spend more.

It claims some success in doing this already, through a combination of introducing new services such as pharmacies, photo-processing, dry cleaning and counter service for meat, trimming its prices, and introducing the Tesco Value line, which offers basic goods at prices which rival the discounters.

Like-for-like sales for the first 20 weeks of the second half were up 4.5 per cent, which represented a 2.5 per cent gain in volume, after taking out inflation of 2 per cent – better than it has achieved for some years.

The spotlight now shifts back to Sainsbury. It has been saying privately that it saw no need to depreciate, but analysts believe it now has little choice but to follow its rivals not only on that issue, but in calling a halt – or at least a slowdown – in the race for space.

# Cadbury to buy French chocolatier for £18m

By Peter Pearse in London and John Ridding in Paris

Cadbury Schweppes, the confectionery and soft drinks company, yesterday announced the acquisition of Bouquet D'Or for FFr160m (£18.4m).

The consideration includes acquired debt and can be adjusted according to the balance sheet at completion.

The cash payment will be met from Cadbury's resources.

Bouquet D'Or, based in Villeneuve d'Asq, to the north of Paris, is a privately owned company which was founded in 1851 as a family business.

It specialises in boxes of chocolate assortments, particularly praline products, and had sales in the year to April 30 1993 of FFr257m.

Following the acquisition, the company will be managed by Chocolat Poulain, a subsidiary of the UK group.

Mr Thierry Bouteil, managing director of Poulain, said that Bouquet D'Or products would continue to be marketed under their own brand.

"We have not bought the company to eat its brand but to develop it", he stated.

Mr Bouteil said the combined sales of Poulain and Bouquet D'Or would represent about 13 per cent of the seasonal assortments sector of the French chocolate market and put Cadbury Schweppes in third place in terms of market share, behind Nestlé and Lindt of Switzerland.

The French chocolate market has resisted the effects of recession, increasing by about 2 per cent last year.

Le Syndicat de la Confiserie, the French association of confectionery producers, estimates the size of the French chocolate market at about FFr11bn.

# Greycoat shows interim loss but recovery starts

By Simon Davies

Greycoat yesterday announced further pre-tax losses at the interim stage, but operating profit exceeded interest payments as it continued its recovery from the verge of receivership.The management also announced the end of its programme of property disposals.

In addition, it revealed that Mr Geoffrey Wilson will step down as chairman at the end of the financial year, while Mr Brian Myerson and Mr Julian Treger, the two men who formulated the company's rescue package, will join as non-executive directors.

The management of Greycoat – one of the more aggressive property investors of the 1980's, which almost collapsed from a combination of rising debt costs and falling asset values – said it was now in a position to start looking at financing for future property developments.

The company announced a pre-tax loss of £43.5m (£44m), but this included £5.2m in reorganisation costs, £25.2m on losses from the sale of properties, and £7.4m from the redemption of the company's zero coupon bonds, all of which were part of the restructuring. Mr Richard Guignard, managing director, finance, was confident of a modest profit in the second half of the year.

The company intends to eliminate its profit and loss account deficit of £149.1m, as part of the proposals detailed in its restructuring document. It will apply for court permission to cancel £105.7m standing to the credit of the share premium account and a further £47.1m of deferred shares, arising from the restructuring.

Mr Wilson said in an official statement: "We have an established record of successful commercial property development."

Turnover amounted to £20.4m (£23.9m) primarily from gross rental income, and this figure should see a gradual increase with the phasing out of rent free periods on a portion of its portfolio. Losses per share were 49.5p (52.8p). There is no dividend.

# Daejan rises to £8.4m

Daejan Holdings, the property company, yesterday announced pre-tax profits up from £7.64m to £8.39m for the half year ended September 30.

The company said that full-year profits were likely to be similar to those reported last year which amounted to some £14.2m, excluding the surplus arising on disposal of a subsidiary company.

The interim dividend is maintained at 12p from earnings per share of 31.85p (30.84p).

Net rental income rose to £8.36m (£7.91m) and there was a £4.09m (£4.16m) surplus on sale of trading properties.

Operating profits on continuing activities were virtually flat at £10.1m and there was a £482,000 (£354,000) surplus on the sale of investment properties.

# Zofran approval in Japan

By Daniel Green

Glaxo has secured approval in Japan to sell one of its fastest growing products, Zofran, which reduces the side-effects of cancer chemotherapy.

Zofran will be competing against a newer SmithKline Beecham product, Kytril. The Japanese market is unusual in that Kytril was launched there 18 months ago. In most other countries, Zofran was approved first.

Analysts yesterday estimated that annual sales of Kytril in Japan were already worth £70m. Zofran has an advantage over Kytril in that it has been approved for both injections and tablets. Kytril is only available as an injection, although this is the normal means of delivering anti-emetic drugs in cancer chemotherapy.

The launch date for Zofran in Japan is in the spring.

# Signs of OFT approval for Granada bid

By Raymond Snoddy

There were growing signs last night that the Office of Fair Trading has cleared the Granada bid for LWT, subject to the condition that the advertising sales houses involved really do operate on an arms length basis.

The OFT decision on the bid, has, it is believed, now gone to Mr Michael Heseltine, the trade and industry secretary.

The intention was to make an announcement today, but it is not clear whether this will be possible because of Mr Heseltine's other commitments.

The Independent Television Commission has made it clear that it is prepared to accept a system of Chinese Walls between sales houses for the time being, as long as there are no shared directors or business contacts between the two houses involved.

The ITC is reviewing the rules on advertising sales.

# Kent Corporation goes into receivership

By Andrew Taylor, Construction Correspondent

Kent Corporation, the mechanical and electrical contractor and one of Ireland's biggest employers, went into receivership yesterday.

The company, which has its headquarters in Tipperary and employs about 6,000, is the latest to fall victim to the construction industry recession.

Recent work has included contracts for the troubled Hotel Arts complex in Barcelona and a major electrical engineering contract at Guys Hospital in London, which also has been subject to a dispute.

Problems on the hospital contract are thought to have contributed to the group's downfall.

Mr Rory O'Ferrall and Mr Patrick Butler of Deloitte & Touche were yesterday appointed receivers to the group.

In a separate move Mr Terry Carter and Ms Maggie Mills of Ernst & Young were appointed administrative receivers to Kentz, the UK subsidiary which employs about 500 workers.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corres - ponding dividend | Total for year | Total last year |
|---|---|---|---|---|---|
| Barbour Index ......int | 2.7 | Apr 6 | 2.55 | - | 8 |
| Beales Hunter ......int | 2.55 | Feb 25 | 2.45 | - | 9.4 |
| Crest Nicholson ......fin | 1 | Apr 18 | 0.01 | 1 | 0.01 |
| Daejan Holds ......int | 12 | Mar 15 | 12 | - | 27 |
| Davenport Vernon......fin | 2.7 | Apr 5 | 2.5 | 4.2 | 4 |
| Electron House ......int | 1.2 | Apr 6 | 1.05 | - | 2.6 |
| Exmoor Dual Tst ......int | 2.25☆ | Mar 4 | 2.5 | - | 10.55 |
| Lon' Clydeside §......fin | | Feb 22 | 2.7 | 4.8 | 4.5 |
| London Scottish ......fin | 2.37 | Mar 17 | 2.05 | 3.4 | 3 |
| RCO Holdings ......fin | 10.25 | Apr 1 | 9.24 | 15.2 | 13.86 |
| Rubicon ......int | 1.8† | Apr 6 | 1.5 | - | 4 |

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ☆ First interim on income shares.

# London Scottish Bank 18% ahead to £4.54m

By Alison Smith

London Scottish Bank, the consumer finance company, announced an 18 per cent increase in pre-tax profits in the year to the end of October 1993.

The company highlighted the restoration of profitability in consumer credit in taking their pre-tax profits to £4.54m compared with £3.85m in the previous year.

Income from interest on loans rose by 3 per cent to £19.59m (£18.96m), while commission on debt collecting rose by 16 per cent to £6.41m (£5.51m).

Finance costs for funding lending fell by 4 per cent to £2.52m (£2.62m), as a result of low interest rates.

In August, the company bought a debt portfolio from RLJ Finance, which includes debts spread over a period of a few years. Income from debt portfolios acquired came to £333,500.

Income from the sale of Christmas hampers, which rose sharply in the previous year to make a marked contribution to profits, was down slightly to £1.1m (£1.16m).

There was, however, a slight fall in insurance income to £3.8m (£3.84m).

Mr Jack Livingstone, chairman, emphasised the efficiency improvements that the company, which makes consumer loans and collects debts on behalf of other companies, had made at the worse performing of its 106 branches, and also the investment it had made in a new computer system.

Mr Livingstone also announced his intention to retire in March 1995, and the appointment then of Mr Martin West, the chief executive, as chairman. Mr Livingstone will be a non-executive director after he steps down.

The bank is already looking for a new chief executive and hopes someone will be in place in October to begin a transitional period. The whole executive team is due to retire over the next few years. "There are a lot of wrinklies on the board now," Mr Livingstone said.

The board proposes an increase of 15 per cent in the final dividend to 2.37p (2.05p) making a 3.4p (3p) total.

The shares put on 6p to 112p.

# Barbour Index warns on full year

By Peter Pearse

Shares in Barbour Index declined 15p to 218p yesterday on news from the Windsor-based specialist information services group that its results for the 12 months to end-April would "be somewhat below those of last year".

The news accompanied the interim results which showed a 25 per cent fall in pre-tax profits to £2.03m for the period to end-October. Turnover fell 8.5 per cent to £6.4m.

Mr Jack Dunn, chief executive, said he was disappointed in the results, but added that he was not surprised by them given the group's reliance on the construction industry. Some 70 per cent of Barbour's income derives from that source, with the balance from its health and safety information.

The second half was expected to "show some growth".

To underline both the group's confidence in the long-term future and its "sound financial position" – it has £4.3m (£4.4m) cash balances – the interim dividend is lifted to 2.7p (2.55p).

Barbour supplies information of all kinds, though not advice, to niche markets like architects and engineers. It also produces and supplies a directory of building products to 21,000 registered specifiers.

Mr Dunn said that Barbour's soon to be launched expert information systems would extend the group's markets, stressing that many professionals needed to have large amounts of wide-ranging information at their fingertips.

Mr Dunn said that on the construction side, renewal rates improved a little over last year, but that there was still a 15 per cent fall-off for lapsed subscriptions or failed businesses. New sales remained at a low level.

It was the same for health and safety, though here renewal rates were held at a "very good" 90 per cent.

Earnings declined to 8.1p (10.9p) per share.

# Competing for market shares

## Norma Cohen looks at two new business information providers

When the London Stock Exchange decided it would no longer be a provider of information to the markets, it opened up new vistas for commercial providers to step into the breach.

For years, the Exchange's Topic service was the sole provider of live Stock Exchange prices and the first to unveil corporate announcements from companies whose shares it listed. But Reuters Holdings, the business information service, challenged the Exchange's right to operate a monopoly on that information and the Exchange was forced for the first time to compete.

Since then, the Exchange has decided that it cannot compete commercially and has formed partnerships with two information providers; Telekurs, a securities database operator owned jointly by a consortium of Swiss banks, and ICV, a privately owned company providing real-time data services to professional financial companies throughout Europe. Topic is intended to cease at the end of this year.

Today, Telekurs formally launches its Topic Plus and Topicline Plus services, intended to succeed the Stock Exchange's service, and says it already has orders for more than 500 screens at 40 financial institutions.

Earlier this week, ICV launched its Market-Eye service, intended to replace Topic, and says it has orders for more than 1,000 screens.

Reuters is already operating its Equity Focus product.

Officially, Telekurs and ICV state that there is no competition between them. Telekurs has developed a product that it says is aimed at large banks and securities houses while the ICV product is aimed at private client stockbrokers and small fund management firms.

"We are aiming at the more professional end of the market," said Mr Tudor Morgan, Telekurs managing director. "Competition with Reuters is the big thing."

Fund managers, stockbrokers and salesmen say that the three firms are competing fiercely with each other for market share in a sector which is expected to grow exponentially. "There are 9,000 Topic users," Mr Morgan said. "We'd like to think that 50 per cent of them will be Telekurs customers by the end of this year."

There is much more at stake than just the Topic business. The provider with the greatest market share has the greatest opportunity to sell other services and effectively piggyback on the screens already in place.

The differences between the services are not great, but users say that even the small differences will make a great difference in their final choice.

Trevor Humphries

Sir Andrew Hugh Smith, chairman of the Stock Exchange (left), with Tudor Morgan, managing director of Telekurs

The prices for the basic service are much of a muchness; Telekurs charges £2,800 a year for its basic service, with significant discounts for orders of 10 screens or more. ICV charges £2,500 per terminal, and users say Reuters' rates are in line with those.

The differences are in the ease with which users can access the information and the quantity and method of display. Both Reuters and Telekurs use a "Windows" format and users hold a mouse to flip between pages. By April, Telekurs will be able to offer its users feeds from other stock exchanges besides London, one of the key attractions now offered only by Reuters. It also offers other unusual features such as the ability to scan the front pages of leading UK newspapers.

Also, up until late last year, Reuters had been resisting demands from potential clients that it modify its system to allow them to receive direct feeds of data from some leading stockbroking firms which offer closed-end systems themselves. This resistance was said to be driving some fund managers into the arms of the competition, particularly Telekurs.

However, last November Reuters changed its tune, users say, and is now offering to pay those stockbroking firms for the costs of rewriting their programmes to be compatible with its own system.

But market users say that the ICV system offers the greatest comfort because it most closely replicates the Topic system that many brokers, now in their 40s and 50s, have grown up with.

"Users are not interested in learning how to drive a new car," said an official at one integrated securities firm which will need some 35 to 70 new screens. Like Topic, the ICV system relies on a keypad to help users find information, and users say it is quick and reliable. "Reuters is not easy to use: it does not have the same look and feel of Topic," he said.

# Second Consolidated plans to make £25m capital repayment

By Bethan Hutton

Second Consolidated, the investment trust which took over the unquoted and illiquid assets of Drayton Consolidated from Invesco, is planning to make a capital repayment of about £25m after realising more than half of the trust's initial assets.

Second Consolidated was created out of the remains of Drayton Consolidated in November 1992, and is managed by Foreign & Colonial, with the intention of winding it up within three to five years.

The board announced a 20.6 per cent increase in net asset value for the trust's first year to end-October, while the share price rose 72.7 per cent to 171p. The discount to net asset value has fallen from 36.8 per cent to 11.4 per cent.

There will be an ordinary dividend of 2.1p, but this level is likely to decrease as investments are sold. The capital repayment, by means of a capital reduction, is planned for late March, subject to shareholders approval.

Realisations totalled £12.1m to end-October, but since then sale proceeds have increased to £29.7m. The trust has disposed of about 40 per cent of its stake in Oak Industries, the Boston-based cable television component company, realising £5.3m, and sold its entire holding in Peregrine International Holdings, realising £7m.

The placing of the Oak shares was complicated by US securities regulations, which meant the trust was unable to sell at short notice when the share price was at its height. Further gradual disposals may be more straightforward.

The geographical distribution of the fund has shifted towards a US weighting, as most disposals were in the UK, but the strongest growth was in the US portfolio, particularly Oak Industries and Mid-States. US assets account for 64.5 per cent of the portfolio, against 45.1 per cent initially.

# Eastern to supply power to McDonald's in Wales

By Michael Smith

Eastern Electricity yesterday took a high profile bite in a new competitive section of the power market when it announced a deal to supply 500 McDonald's restaurants in England and Wales from April.

It said the contract, estimated to be worth £12m annually, is the biggest and most comprehensive deal announced in the market for users of between 100 kilowatts and 1 megawatts.

Eastern's shares rose 9½p to 674p, although part of the increase was attributable to its move this week to buy back some of its equity to boost earnings per share.

From April the 45,000 England and Wales consumers of between 10kw and 1MW of electricity will for the first time be able to pick which company to take their supplies from.

Previously they have been able to buy only from the monopoly distributor which supplies their region. The change will not affect the physical source of the electricity which is generated by separate companies. This is because suppliers trade rather than generate electricity.

Virtually all of McDonald's stores fall into the 100kw to 1MW category. Mr Keith Smith, McDonald's chief building services engineer, said Eastern's offer would provide the company with savings of about £1.4m on its total UK bill, including franchise stores, of £18m.

Eastern was chosen after quotes from 14 suppliers, including most of the other regional electricity companies.

# MEPC shares rise on upbeat statement

Shares in MEPC, the property group, rose 29p to 561p yesterday after Lord Blakenham, the chairman, told the annual meeting that the company was in a far healthier position than a year ago with gearing at 48 per cent against 82 per cent.

He said the property market in general was on the move.

On Tuesday, Mr James Tuckey, chief executive, said the company's Northridge Fashion Centre in the San Fernando Valley, Los Angeles, had been affected by the earthquake in southern California.

However, the group had substantial insurance to cover against earthquake damage, including business disruption and loss of rent. MEPC acquired the property last month.

## COMPANY NEWS: UK

# Crest seeks £19m for return to offensive

By Simon Davies

Crest Nicholson, the Surrey-based house builder and commercial property developer, yesterday announced a £19.1m rights issue to expand its land bank and increase development activities, after three years of retrenchment.

The announcement was accompanied by the release of better than expected profit figures for the year to October 31.

Some 22.53m new shares are to be issued at 88p on a 1-for-4 basis. This represents an 18 per cent discount to Tuesday's closing share price of 108p. Holders of convertible preference shares will be offered 88 new shares for every 1,000 held.

The ordinary share price closed up 6p at 114p.

Pre-tax profits for 1993 came to £2.13m after an exceptional charge of £2m, which resulted from a judgment against Crest Nicholson over its failure to complete on a land purchase in 1988.

The figures for 1992, restated for FRS 3, showed a £975,000 loss.

Sales in the 12 months increased 15 per cent to £273m (£238m).

Mr John Callcutt, chief executive, said the rights issue would provide funds for the expansion of its short-term land bank – diversifying away from its core southern focus – and the redevelopment of some of its higher margin strategic land holdings.

The company is emerging from two years of losses following the collapse in house prices in 1990 and 1991.

Mr Callcutt said: "In the last three years, we have been fighting back from the brink. We are now in a position where gearing has come back down to 39 per cent, and we have done this without calling on shareholders."

The management would be satisfied with gearing below 50 per cent, compared with a post rights gearing ratio of 17 per cent.

The dividend of 1p marks Crest's first pay-out since 1990. Earnings per share amounted to 0.01p (3.96p losses).

● **COMMENT**

This rights issue sets the seal on a remarkable turnround in the company's fortunes since Mr Callcutt took over in July 1991. Net debt has been more than halved, from £104m to £40m, turnover of residential houses has hit record levels despite the recession and the group has successfully unloaded the bulk of its lower margin sites acquired at the peak of the late 1980s property boom. Its current task is to translate this into profits. The company enjoyed pre-tax profits of £37.1m in the year to October 1989, but analysts do not expect it to revisit these levels for some time.

Lydia van der Meer

Clive Littler, finance director (left) and John Callcutt: announced better than expected profits and a restored dividend

# Lasmo's Kalimantan reserves upgraded

By Robert Corzine

Lasmo, the independent oil exploration and production company which has been suffering from weak prices, yesterday announced a 13 per cent upgrade to the proved reserves of one of its biggest assets.

The reserve figure for the Sanga Sanga production sharing contract in Kalimantan, Indonesia, has been increased by 59m barrels of oil equivalent. It supplies 60 per cent of the gas to the world's largest liquefied natural gas plant at Bontang. The upgrade was the result of new exploratory drilling and revised estimates by independent consultants of the amount of recoverable reserves in the field.

Analysts say the revision is a positive long-term development for Lasmo, whose recent record at finding new reserves has failed to match industry averages. It could also have some beneficial effect on short-term profits, but the company's financial position will remain under strain because of the need to finance a new gas field development in Liverpool Bay.

Mr Joe Darby, chief executive, said further reserve upgrades of Kalimantan were likely, although they might not be so large.

● Lasmo is one of eight oil companies which Standard and Poors, the credit rating agency, yesterday warned could suffer further because of current low oil prices. Other companies whose ratings have been placed on "Creditwatch with negative implications" status include Arco Chemical, Atlantic Richfield, Enterprise Oil, Norsk Hydro, Oryx Energy, Petrofina and Santa Fe Energy Resources.

# Components side behind rise at Electron House

By David Blackwell

Electron House, the electronic components distributor, lifted pre-tax profits from £579,000 to £1.61m for the six months to November 30.

Mr Robert Leigh, chairman, said group sales in the components market had risen by 50 per cent, compared with an overall market improvement of 25 per cent.

Turnover from continuing operations rose by 29 per cent, from £35.9m to £46.2m.

Electronic component sales in the UK rose from £16.9m to £25.8m. Sales in Australia moved ahead from £4.47m to £6.54m and in New Zealand from £2.23m to £3.2m. Operating profits from components sales were £2.67m (£1.44m).

However the group's two remaining systems businesses, which accounted for 23 per cent of turnover, fell into the red to the tune of £296,000, compared with a previous profit of £268,000. Sales were down from £12.3m to £10.7m.

Mr Leigh said that CEM Computers, the systems division in Northern Ireland, was building a substantial service and support business. But Bytech Systems, where staff had been reduced by 10 per cent, would take time to return to profitability, and would probably remain in the red in the second half.

Net interest payable fell from £732,000 to £383,000. Net borrowings were down from £9.1m to £4.5m, cutting gearing from 80 per cent to 35 per cent.

In 1994, when the components market is estimated to increase by a further 9 per cent, Electron expects to raise its market share further, said Mr Leigh.

This was in part because customers were cutting down the number of their suppliers, to the benefit of the major distributors. He believed Electron to be the fourth or fifth biggest in the UK.

Earnings per share rose from 1.1p to 3.74p. The interim dividend has been lifted to 1.2p (1.05p).

# Acquisitions behind 60% rise at Rubicon

Profits of Rubicon Group rose from £1.22m to £1.94m pre-tax for the half year ended November 30. The 60 per cent improvement was scored on the back of a £13m rise in turnover to £23.44m.

Acquisitions were behind the advance. High Speed Production, a manufacturer of precision metal components and assemblies, contributed £11.3m to turnover and £1.1m to operating profits in the four months since it joined the group.

Prior to the purchase, Rubicon's sole interest was in the supply of shop equipment.

Mr George Duncan, chairman, said the result was achieved in the face of a disappointing outcome for certain of the shop equipment businesses.

He underlined the importance of the contribution made by HSP, which was acquired in July for £9m via the issue of shares, loan notes and cash.

Mr Duncan said HSP was benefiting from strong underlying market growth and improved market share.

Earnings per share for the half year emerged at 7.8p (7.2p) and the interim dividend is being lifted from 1.5p to 1.8p.

# Davenport Vernon up 29%

A good second half performance left Davenport Vernon, the multi-franchise motor group, with pre-tax profits ahead by 29 per cent from £1.64m to £2.11m for the year ended September 30.

Turnover expanded by 35.5 per cent to £154.6m against £114.1m.

Earnings per share were 10p (8.1p) while the dividend is increased to 4.2p (4p) through a final payment of 2.7p (2.5p).

Profits at halfway improved to £895,000 (£805,000) but the year-end result was boosted by a second half rise of 45 per cent.

Of the sales increase, £35m came from continuing operations.

# Beales Hunter shows 5% advance to £1.43m

Despite a lower contribution from its textiles side, Beales Hunter increased pre-tax profits by 5 per cent from £1.36m to £1.43m in the half year to November 30. Sales grew by 11 per cent to £27m.

At the operating level, profits rose 13 per cent to £1.6m, including £20,000 from two businesses acquired during the year. Higher interest of £173,000 (£53,000) reflected the cost of these acquisitions.

Earnings per share edged ahead from 10.4p to 10.6p, while the interim dividend is stepped up to 2.55p (2.45p).

The refrigeration division – including new subsidiary JT Herbert – increased sales and profits. Obtaining installation business remained difficult, but order levels continued to improve.

The electrical side also showed an improvement, mainly as a result of demand for non-rewirable plugs. Some recovery was also seen in sales of traditional plugs, sockets and connectors to consumer product manufacturers.

Textile results continued to be affected by low margins. Beales said that at the present levels of profitability, the division still required a substantial volume increase to produce an acceptable level of return.

# TSB Scotland tops £82m despite rising bad debts

By James Buxton

TSB Bank Scotland, the Scottish offshoot of the TSB Group, increased its pre-tax profit in the year to October 31 by 3.8 per cent from £79.4m to £82.4m.

Operating profit was up 11 per cent at £98.1m while the cost income ratio fell from 54.5 per cent in 1992 to 52.1 per cent.

Mr Alastair Dempster, the chief executive, acknowledged that the rise in the pre-tax figures was dwarfed by the jump from £5m to £301m in TSB Group's pre-tax profits, announced last week.

He pointed out that TSB Bank Scotland had been consistently profitable during its parent company's difficult years, with pre-tax profits rising steadily from £40m in 1989.

The bank, which focuses on lending to individuals, suffered a higher level of bad debts in 1993 than in 1992.

# Lower interest costs aid London & Clydeside

With the help of much lower interest charges, London & Clydeside Holdings, the USM-quoted housebuilder operating throughout Scotland, reported an 84 per cent rise in pre-tax profits in the year to September 30.

Lower turnover of £21.2m was because last year's figure of £21.98m included the sale of an office block for £2.5m. After interest payable of £913,000 (£1.58m), pre-tax profit came to £742,000 (£404,000).

This year's result would have been higher but for a write-down connected with a Glasgow office block developed by an associate company.

Earnings per share rose 79 per cent to 5.2p (2.9p) and the final dividend has been increased to 3p making 4.8p (4.5p) for the year.

# RCO Holdings little changed at £4.77m

Despite "the most adverse market and trading conditions in the history of the company", RCO Holdings reported maintained levels of profits and turnover for the 53 weeks to October 1.

The supplier of integrated site support services achieved a pre-tax profit of £4.77m from turnover of £48.8m for the period, against a profit of £4.72m on turnover of £47m in the previous 52-week period.

At the operating level profits were static at £4.42m, and with cash holdings increasing to £5.8m (£3.8m), net interest receivable rose to £352,000 (£303,000).

A final dividend of 10.25p (9.24p) makes a 15.2p (13.86p) total. The dividend is almost twice covered by earnings per share of 29.67p (29.16p).

## NEWS DIGEST

### Division losses increase

Division Group yesterday announced an increased loss of £503,000 for the year to October 31 on sales up £1m at £2.08m.

The group, which came to the market in May and which makes "virtual reality" software and hardware for professional users, had expected the increased loss, which compared with a £107,000 deficit in 1992. Shares fell by 6p to 89p.

Operating loss was £593,000 (£94,000) and the deficit per share jumped to 2.1p (1p).

### Placing and open offer for Andaman

Andaman Resources, the Belfast-based mineral exploration company, said it had proceeded with the placing and open offer indicated last month to finance further exploration activities.

Some 4m new ordinary shares have been placed at 10p each with 4.65m new ordinary offered to qualifying shareholders to raise a net total of £820,000. Those shares not subscribed for have been conditionally placed by Charles Stanley.

Once the placing and open offer are unconditional, Mr Rudolph de Mendonca and Mr Michael Halsey will be co-opted to the board and Mr P Curistan and Mr J Goodger will retire. Mr H McCullough will become chairman.

### NFC makes £2.7m French purchase

NFC, through its subsidiary Exel Logistics France, has acquired Transports Léridon for FFr24m (£2.7m).

Léridon, which has annual revenues of about £8.5m, is one of the leading temperature-controlled transport and distribution companies in the Paris region.

It employs 140 people and operates a 10,000 sq m temperature-controlled warehouse at Rungis, near Orly, and a fleet of 60 vehicles.

An initial £2m in cash has been paid with the balance of £700,000 due in January 1995.

### Tops pays £14m for two shopping centres

Tops Estates has paid £14m for two Lancashire shopping centres.

Consideration for the shopping centres – 3¼ acres at Ashton-Under-Lyne and 2 acres at Bamber Bridge, Preston – was settled in cash out of resources and available bank facilities.

The company said that the two additions to the investment portfolio, which have a combined rent roll of more than £1.4m (with 10 rent reviews presently outstanding), offered an "outstanding opportunity for substantial growth".

### Constantine joins the caravan club

Constantine Holdings, the family-owned property and transport services group, has purchased a majority stake in Carisfield, the holding company of Elddis Caravans (Consett), from its management and Northern Venture Managers.

The management retains a 27 per cent interest.

### Property sale falls at Coutts Consulting

Coutts Consulting Group, which provides training and consultancy services to banks and other financial institutions and operates residential training centres, said the completion of the sale of its vacant Berkshire property, Winkfield Place, for £1.3m, had not taken place because of a default by the purchaser.

Accordingly, the deposit of £65,000 had been forfeited and the property was being remarketed. A number of approaches had been received, it said.

### EFM in further Asian investment

Edinburgh Fund Managers is acquiring a 10 per cent stake in Creditcapital Asset Management Company, a new fund management organisation in India.

Creditcapital manages a range of mutual funds aimed at the Indian retail market.

Earlier this month Edinburgh Fund Managers announced the launch of an investment trust specialising in smaller companies in emerging Asian markets, to be known as the Edinburgh New Tiger Trust.

### Massey Ferguson in Japanese link

Massey Ferguson, the US-owned farm equipment group, and Iseki of Japan have agreed to co-operate in the UK and Irish markets for turf and grass equipment.

MF's grass equipment division has been appointed exclusive distributor for Iseki products from February 1. Iseki is one of the world's biggest manufacturers of compact tractors.

The move has been prompted by the largely complementary nature of the two companies' grass machinery ranges, and builds on existing co-operation between them elsewhere.

## COMMODITIES AND AGRICULTURE

# Hopes of success grow at Brussels aluminium talks

**By Kenneth Gooding, Mining Correspondent, in Brussels**

Expectations of a substantial co-ordinated cut in worldwide aluminium production increased yesterday after trade delegates from the main producing countries decided to continue their negotiations into an unscheduled third day.

"We decided we would keep talking while we were still making progress," said one delegate.

However, there were some indications that the talks were taking longer than the two days originally scheduled because of Russia's determination not to shift from its opening offer.

Delegates were concentrating on how cuts of up to 2m tonnes a year of annual output could be shared between Russia and the rest of the world. A sudden surge in Russian exports to the west following a collapse in domestic demand, which had been largely for its military machine, is widely blamed for the aluminium surplus, which has driven down prices recently to all-time lows in real terms.

Taking part in the negotiations with Russia are trade representatives from Australia, Canada, the 12-nation European Union as one body, Norway and the US.

As an incentive to the Russia, second only to the US as an aluminium producer, to co-operate, the western governments are offering financial and technical help to the Russian industry.

On the other hand, if no agreement is reached, US producers are likely immediately *to make anti-dumping* charges against the Russian industry. However, this process might take a year to complete.

The EU already has imposed import restrictions on aluminium from the Commonwealth of Independent States which last until the end of February.

# Australian farmers enjoying bumper year

**By Nikki Tait in Sydney**

Australian grain farmers are seeing record or near-record production in the 1993-94 season, thanks to favourable spring growing conditions outside of Queensland, an increase in the area planted, and some "excellent" harvest weather.

According to the Australian Bureau of Agricultural and Resource Economics, total winter crop production is forecast to be 29.4m tonnes, only 700,000 tonnes less than the record grain harvest seen in 1983-84. This figure compares with the estimated 26m tonnes harvested last year.

Mr Chrys Papadopoulos, Abare's crop and livestock economics branch manager, said that this should result in higher farm incomes, despite the likely reduction in average returns for wheat and barley.

The country's wheat crop is estimated to be about 18.2m tonnes – up from 16.2m tonnes last year but still well short of the 22m tonnes harvested in 1983-84.

However, the area sown this year, at 9.5m hectares, was significantly smaller than 1983-84's 12.9m hectares, indicating a much higher yield. The barley crop is forecast to be 6.8m tonnes, nearly 1.3m tonnes more than last year's record crop.

# Argentine officials sacked over disease outbreak

**By John Barham in Buenos Aires**

Argentina's agriculture department has sacked top officials at the Senasa animal health service for incompetence in allowing an outbreak of foot-and-mouth disease in Patagonia, a region that had been declared free of the disease.

The department promises it will be "absolutely inflexible" to halt the region's worst outbreak of foot and mouth in 20 years. Senasa has already ordered the killing of 9,000 cattle and sheep since the disease was first notified at the end of December.

Senasa specialists say that they have disinfected and quarantined 50 small farms in a 20km radius around the tourist city of Bariloche and ordered the vaccination of 60,000 animals.

However, a Senasa official claimed the problem was like a "drop in a huge lake. There are 13m animals in this region and they are healthy".

Among the properties worst affected was Mr Lucio Benetton's Pilcaneu farm, where the government ordered the slaughter of almost 10 per cent of its 27,000 sheep.

Senasa believes the outbreak started at a small farm near Bariloche, where pigs may have been infected by illegal feeds. An official said the disease spread rapidly because "there has been a tremendous growth in tourism and a big increase in cattle movements to meet demand".

However, the Agriculture department suspects that lax controls at Senasa allowed the foot-and-mouth virus to travel south from the country's infected northern region.

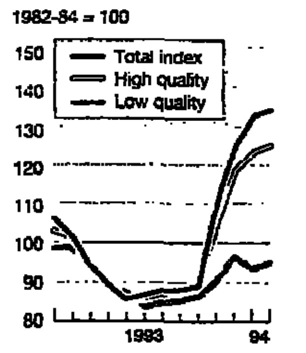
The government has spent about $400m since 1989 on a campaign to rid Argentina of the disease.

# Japanese crop setback may herald new rice age

**By Alison Maitland**

**FAO rice export price**

1982-84 = 100




European consumers will soon be paying at least 15 per cent more for rice because of poor harvests and crop failures in the main producing countries, most notably Japan.

*The United Nations' Food* and Agriculture Organisation estimates that the Japanese harvest fell by about 25 per cent last year to 9.7m tonnes, and this has forced the government to import huge amounts of rice to its previously closed market.

Heavy demand from such an important rice consumer has triggered a near doubling in international prices since September, fuelled by smaller supplies than usual being available from some other big producing countries.

"I've been in this trade for 30 years and I've never seen a year quite like the one we've had," said Mr Danny Driscoll, director in charge of rice at UK food trader Stevens & Brotherton, which has seen a 110 per cent increase in the price of its unmilled US long grain rice to $440 a tonne. "But then, Japan has never come into the market before."

Japan announced in September that typhoons and a cold summer would force it to import at least 1m tonnes of rice. The international rice industry now estimates that it may be in the market for up to 3m tonnes.

Rice supply and demand have tended to be fairly stable in recent years. But the rash of bad harvests has upset everyone's calculations.

Crops in China, India, North Korea and the Philippines were hit last year by exceptionally wet or stormy weather, while cool conditions affected the South Korean crop. In Europe, the Spanish crop was down by *about one-third* because of severe dry weather in the Seville region.

The FAO estimates that world output of paddy rice fell to about 520m tonnes, 6m tonnes less than the record harvest in 1992. It predicts that, as a result, world trade in rice will rise to an all-time high of at least 14.6m tonnes this year, some 800,000 tonnes more than last year.

The type of rice favoured by Japanese consumers is high quality short-grain Japonica rice, grown mainly in the US and Australia apart from Japan. But the industry believes that its requirements far exceed available exports and that it will have to consider buying long grain Indica rices from the US and from Thailand.

According to the FAO, Japan bought 200,000 tonnes in early October, contracted for further amounts for delivery in December and has confirmed that it will import 900,000 tonnes in the first quarter of this year.

"Although no indications were given on the volume to be imported after March, it would appear that substantial quantities may still be needed to cover the shortfall," the FAO said.

There has been no let-up in the rise in world prices and buyers are running out of the stocks they bought in advance to protect against sudden price changes. As the new US crop arrives on the European market, consumers are next in line to feel the squeeze.

In addition to the world rice price, European consumers are affected by a levy on rice imports into the European Union. When world prices rise, the levies are meant to fall, to keep prices stable. But the rise of at least 80 per cent in world prices has so far been met by a fall in import levies of only about 12.5 per cent and the industry wants the European Commission to reduce them further.

Tilda Rice, a leading brand rice manufacturer, is raising its prices of American long grain rice by 15-20 per cent this month in the UK and continental European markets and says there may be further increases later in the year.

"It's a very moveable feast; 3m tonnes is a hell of a lot to mop up," said Mr Tim Smith, Tilda marketing controller. "It depends where Japan does finally source all its requirements. If a huge proportion of that shortfall has to be taken up from the US that puts extra cost pressures on rice from the US, and the same goes for Thailand."

Mr Smith said that if Japanese consumers developed a taste for imported long-grain rice, which cost three or four times less to produce than domestically-grown Japanese rice, they could push international prices higher still.

"We could be at the start of a new rice age," of rising prices, he warned.

# Pakistan's textile producers call for halt to cotton exports

**By Farhan Bokhari in Lahore**

Pakistan's largest textile manufacturing association, the All Pakistan Textile Manufacturers' Association, is urging an immediately halt to cotton exports as a step to prevent further shortfalls of raw material after this season's crop losses.

The association estimates that only 8m bales of cotton will be produced this year, down from an earlier crop target of 12m bales. That level of production would be 1m bales below the local industry's requirement.

Mr Tariq Saigol, chairman of APTMA has urged the government to cancel export orders for 500,000 bales of cotton, by either declaring *force majeure* and fulfilling export commitments out of next year's crop, or by just paying penalties if contracts have to be cancelled.

"It would be strange if we export cotton and then import it for our industrial needs," he said.

Mr Saigol has also urged the government to lower interest rates, which are at present around 22 per cent, as a step towards easing financial pressure on the textile industry.

In addition, he demanded a free float of the rupee to bridge a gap of about 5 per cent between official and open market rates as a way to encourage exports.

The latest demands from APTMA follow a year-long recession in the local textile industry, where the association claims that manufacturers have been forced to take to out of operation 1.2m spindles out of a total of 6.5m because of continuing losses.

According to Mr Saigol, another 500,000 spindles would be at a risk of closure in the coming months unless the government announced new relief measures.

Many economists see the textile industry's troubles as a major test for Pakistan's efforts to boost its exports. Almost 58 per cent of the country's export earnings are generated by sales of cotton products.

"Our whole structure of the economy is too heavily dependent on textiles. The textile sector needs to be revamped and revived," said Mr Saigol.

MARKET REPORT

# Coffee futures plunge

Speculative selling in the New York market sparked off a **COFFEE** price plunge yesterday afternoon that took London futures values to the lowest levels since the end of October. The March position dipped to $1,169 a tonne at the close, down $34 on the day.

Traders said there was little fresh news in the market to warrant such a move, but having failed to break out on the upside, disappointed longs had liquidated. "It's looking tired," said one, "and some stale longs have decided to get out."

Others said the fall had been exacerbated by the lack of roaster demand on the way down.

At the London Metal Exchange **COPPER** and **ZINC** prices opened sharply higher but came under increasing pressure as the day progressed.

A chart break-out at New York's Commodity Exchange (Comex) late on Tuesday sent the copper market soaring and at one stage the three months position reached a four month high of $1,912 a tonne, over 10 per cent up this year and 18.5 per cent above its 1993 low. But with analysts and chartists warning that the rise was becoming *over-extended* and with Comex falling back, prices dropped during the afternoon before last kerb business at $1,882, still up $34 a tonne from Tuesday's close.

Zinc had continued Tuesday's rise but ran into resistance near $1,060 a tonne and settled back to a final trade at $1,030 a tonne, down $12 on balance.

**ALUMINIUM** prices lost more ground as news was awaited from the Brussels talks on cutting oversupply.

**Compiled from Reuter**

## COMMODITIES PRICES

## BASE METALS

### LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 1185-7 | 1205-6 |
| Previous | 1189.5-90.5 | 1208.5-9.5 |
| High/low | 1191.5 | 1215/1202 |
| AM Official | 1191-1.5 | 1210-0.5 |
| Kerb close | | 1204-5 |
| Open int. | 271,217 | |
| Total daily turnover | 64,414 | |

■ ALUMINIUM ALLOY ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 1019-21 | 1043.5-5 |
| Previous | 1018-20 | 1043-4 |
| High/low | | 1048/1042 |
| AM Official | 1024-6 | 1048-50 |
| Kerb close | | 1045-50 |
| Open int. | 2,636 | |
| Total daily turnover | 206 | |

■ LEAD ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 497-8 | 510-1 |
| Previous | 496-7 | 509-9.5 |
| High/low | 503/501.5 | 520/510 |
| AM Official | 503-3.5 | 514-4.5 |
| Kerb close | | 510-1 |
| Open int. | 17,386 | |
| Total daily turnover | 5,943 | |

■ NICKEL ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 5780-5 | 5845-50 |
| Previous | 5725-30 | 5790-2 |
| High/low | 5795 | 5910/5835 |
| AM Official | 5790-3 | 5855-60 |
| Kerb close | | 5835-40 |
| Open int. | 50,323 | |
| Total daily turnover | 8,198 | |

■ TIN ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 5005-10 | 5050-60 |
| Previous | 4975-85 | 5030-40 |
| High/low | | 5100/5040 |
| AM Official | 5015-20 | 5070-5 |
| Kerb close | | 5080-5 |
| Open int. | 17,386 | |
| Total daily turnover | 5,943 | |

■ ZINC, special high grade ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 1016-7 | 1035-6 |
| Previous | 1020-1 | 1039-40 |
| High/low | | 1053/1028 |
| AM Official | 1023-4 | 1043-3.5 |
| Kerb close | | 1029-31 |
| Open int. | 100,453 | |
| Total daily turnover | 34,054 | |

■ COPPER, grade A ($ per tonne)

| | Cash | 3 mths |
|---|---|---|
| Close | 1863-4 | 1886-7 |
| Previous | 1829-30 | 1851-2 |
| High/low | 1885/1883.5 | 1912/1882 |
| AM Official | 1883.5-4 | 1907-8 |
| Kerb close | | 1881-8 |
| Open int. | 253,665 | |
| Total daily turnover | 135,994 | |

■ LME AM Official £/$ rate: 1.4927
LME Closing £/$ rate: 1.4915

Spot:1.4915 3 mths:1.4938 6 mths:1.4778 9 mths:1.4734

■ HIGH GRADE COPPER (COMEX)

| | Close | Day's change | High | low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 86.50 | -0.25 | 87.20 | 86.50 | 966 | 130 |
| Feb | 86.70 | +0.10 | 86.90 | 86.10 | 1,269 | 2 |
| Mar | 86.70 | - | 87.70 | 85.85 | 38,917 | 11,165 |
| Apr | 86.60 | +0.10 | 87.50 | 87.50 | 738 | 2 |
| May | 86.50 | +0.20 | 87.20 | 85.80 | 9,743 | 1,787 |
| Jun | 86.55 | +0.20 | 87.00 | 86.15 | 851 | 4 |
| Total | | | | | 65,945 | 4,599 |

## PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

| Gold (Troy oz.) | $ price | £ equiv. |
|---|---|---|
| Close | 391.20-391.60 | |
| Opening | 392.60-393.00 | |
| Morning fix | 392.70 | 262.939 |
| Afternoon fix | 391.70 | 262.428 |
| Day's High | 393.20-393.60 | |
| Day's Low | 390.90-391.30 | |
| Previous close | 391.00-391.50 | |

Loco Ldn Mean Gold Lending Rates (Vs US$)

| | | | |
|---|---|---|---|
| 1 month | 2.76 | 6 months | 2.79 |
| 2 months | 2.76 | 12 months | 2.85 |
| 3 months | 2.75 | | |

| Silver Fix | p/troy oz. | US cts equiv. |
|---|---|---|
| Spot | 356.60 | 532.25 |
| 3 months | 361.10 | 536.30 |
| 6 months | 365.35 | 540.55 |
| 1 year | 373.70 | 550.15 |

| Gold Coins | $ price | £ equiv. |
|---|---|---|
| Krugerrand | 392-395 | 261-264 |
| Maple Leaf | 402.25-404.75 | - |
| New Sovereign | 92-95 | 61-64 |

## Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | low | Open int | Vol. |
|---|---|---|---|---|---|---|
| Jan | 392.1 | -1.0 | - | - | - | - |
| Feb | 392.7 | -0.9 | 394.0 | 391.3 | 67,571 | 36,392 |
| Mar | 393.6 | -0.9 | - | - | 32,083 | 9,647 |
| Apr | 394.8 | -0.9 | 396.2 | 393.0 | 24,636 | 1,085 |
| Jun | 396.7 | -0.9 | 398.2 | 395.1 | 4,599 | 175 |
| Aug | 398.7 | -0.9 | 399.0 | 399.0 | 3,191 | 50 |
| Total | | | | | 188,083 | 48,571 |

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | low | Open int | Vol. |
|---|---|---|---|---|---|---|
| Jan | 395.3 | -1.5 | - | - | 100 | 4 |
| Apr | 395.8 | -1.5 | 397.0 | 394.0 | 16,196 | 944 |
| Jul | 397.3 | -1.5 | 398.5 | 398.5 | 2,395 | 22 |
| Oct | 398.8 | -1.5 | 397.5 | 397.5 | 376 | 4 |
| Jan | 400.2 | -1.5 | - | - | 137 | 20 |
| Total | | | | | 19,205 | 974 |

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

| | Sett price | Day's change | High | low | Open int | Vol. |
|---|---|---|---|---|---|---|
| Mar | 125.00 | -1.15 | 126.00 | 125.00 | 3,068 | 213 |
| Jun | 124.75 | -1.15 | 126.00 | 125.00 | 1,166 | 76 |
| Sep | 124.50 | -1.15 | - | - | 91 | 1 |
| Dec | 124.00 | -1.15 | - | - | 75 | 1 |
| Total | | | | | 4,400 | 291 |

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

| | Sett price | Day's change | High | low | Open int | Vol. |
|---|---|---|---|---|---|---|
| Jan | 532.8 | - | 533.0 | 530.0 | 1 | 1 |
| Feb | 533.3 | - | 532.0 | 532.0 | 1 | 5 |
| Mar | 534.7 | - | 541.0 | 518.0 | 71,418 | 20,472 |
| May | 538.1 | - | 544.0 | 521.0 | 14,699 | 360 |
| Jul | 541.3 | - | 546.0 | 525.0 | 8,939 | 255 |
| Sep | 544.6 | - | 546.0 | 544.5 | 2,652 | 15 |
| Total | | | | | 111,477 | 21,388 |

## ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 14.99 | +0.12 | 15.40 | 14.87 | 44,189 | 34,694 |
| Mar | 15.04 | +0.02 | 15.36 | 14.95 | 111,618 | 45,157 |
| Apr | 15.16 | -0.03 | 15.45 | 15.10 | 43,894 | 11,149 |
| May | 15.30 | -0.06 | 15.60 | 15.28 | 28,019 | 4,541 |
| Jun | 15.48 | -0.04 | 15.63 | 15.44 | 40,420 | 1,821 |
| Jul | 15.59 | -0.08 | 15.77 | 15.59 | 17,441 | 1,126 |
| Total | | | | | 432,392 | 105,461 |

■ CRUDE OIL IPE ($/barrel)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 13.94 | +5 | 14.15 | 13.85 | 84,534 | 22,952 |
| Apr | 13.97 | +4 | 14.12 | 13.92 | 27,882 | 10,251 |
| May | 14.11 | +3 | 14.24 | 14.07 | 11,136 | 2,431 |
| Jun | 14.25 | +5 | 14.35 | 14.22 | 7,529 | 1,668 |
| Jul | 14.47 | +15 | 14.52 | 14.43 | 6,708 | 150 |
| Aug | - | - | - | - | 2,904 | - |
| Total | | | | | 144,661 | 37,923 |

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 49.50 | +0.01 | 50.75 | 49.40 | 42,094 | 24,381 |
| Mar | 46.90 | -0.35 | 48.10 | 46.85 | 42,131 | 19,835 |
| Apr | 45.20 | -0.30 | 46.30 | 45.10 | 28,174 | 7,573 |
| May | 44.40 | -0.40 | 45.10 | 44.40 | 29,942 | 2,241 |
| Jun | 44.40 | -0.25 | 45.30 | 44.35 | 21,047 | 954 |
| Jul | 45.00 | -0.20 | 46.00 | 45.00 | 14,379 | 493 |
| Total | | | | | 203,219 | 56,744 |

■ GAS OIL IPE ($/tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 145.50 | +0.75 | 147.50 | 144.50 | 34,871 | 8,530 |
| Mar | 144.75 | +0.75 | 147.00 | 144.50 | 18,759 | 4,845 |
| Apr | 143.75 | +1.25 | 146.00 | 143.75 | 15,845 | 1,592 |
| May | 143.00 | +0.50 | 145.50 | 143.00 | 8,393 | 912 |
| Jun | 143.75 | +1.75 | 145.00 | 143.50 | 15,254 | 1,125 |
| Jul | 145.00 | +1.50 | 146.25 | 144.50 | 7,793 | 291 |
| Total | | | | | 116,288 | 18,551 |

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 2.230 | -0.068 | 2.360 | 2.220 | 21,504 | 12,232 |
| Mar | 2.085 | -0.048 | 2.160 | 2.070 | 17,522 | 8,193 |
| Apr | 2.005 | -0.026 | 2.045 | 1.980 | 17,076 | 4,772 |
| May | 1.960 | -0.031 | 2.000 | 1.940 | 10,246 | 1,549 |
| Jun | 1.945 | -0.031 | 1.985 | 1.930 | 7,259 | 517 |
| Jul | 1.940 | -0.043 | 1.965 | 1.920 | 7,396 | 966 |
| Total | | | | | 132,057 | 32,164 |

■ UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

| | Latest price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 41.10 | -0.32 | 41.95 | 40.95 | 27,352 | 11,251 |
| Mar | 42.25 | -0.20 | 43.00 | 42.20 | 31,649 | 8,224 |
| Apr | 45.50 | -0.15 | 46.15 | 45.45 | 28,853 | 3,382 |
| May | 46.40 | -0.20 | 47.00 | 46.40 | 30,374 | 1,347 |
| Jun | 47.10 | -0.20 | 47.50 | 47.05 | 11,192 | 553 |
| Jul | 47.50 | -0.20 | 47.50 | 47.50 | 2,514 | 77 |
| Total | | | | | 136,066 | 24,858 |

## GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 99.25 | +0.05 | 99.50 | 99.50 | 42 | - |
| Mar | 100.10 | - | 100.10 | 99.85 | 1,832 | 37 |
| May | 101.10 | - | 101.10 | 100.85 | 1,751 | 82 |
| Jun | 101.65 | - | 101.75 | 101.65 | 186 | 30 |
| Sep | 90.55 | -0.10 | 90.65 | 90.50 | 137 | 22 |
| Nov | 91.60 | +0.05 | 91.50 | 91.50 | 690 | 13 |
| Total | | | | | 4,841 | 214 |

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 373/6 | -2/0 | 378/0 | 371/4 | 130,155 | 52,515 |
| May | 353/6 | -3/4 | 357/4 | 353/4 | 46,235 | 10,355 |
| Jul | 339/6 | -6/6 | 345/4 | 339/2 | 76,855 | 19,505 |
| Sep | 341/4 | -6/6 | 345/4 | 341/4 | 11,270 | 710 |
| Dec | 350/0 | -6/4 | 353/4 | 349/0 | 11,590 | 1,335 |
| Jul | 327/0 | +3/0 | 327/0 | 327/0 | 20 | - |
| Total | | | | | 276,125 | 84,420 |

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 295/4 | -5/6 | 300/0 | 295/2 | 840,840 | 228,935 |
| May | 300/4 | -5/4 | 305/0 | 300/2 | 441,430 | 79,960 |
| Jul | 301/6 | -5/0 | 305/4 | 301/4 | 386,315 | 53,860 |
| Sep | 283/0 | -3/6 | 286/0 | 282/4 | 71,965 | 5,605 |
| Dec | 267/6 | -2/6 | 270/2 | 267/2 | 205,980 | 27,970 |
| Mar | 273/2 | -2/6 | 275/6 | 273/0 | 12,965 | 400 |
| Total | | | | | 1.763M | 397,145 |

■ BARLEY LCE (£ per tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 103.85 | -0.30 | - | - | 37 | - |
| Mar | 105.15 | -0.30 | - | - | 715 | - |
| May | 106.15 | -0.35 | - | - | 203 | - |
| Sep | 92.50 | -0.25 | 92.50 | 92.50 | 40 | 5 |
| Nov | 94.85 | -0.15 | 94.85 | 94.65 | 53 | 5 |
| Jan | 96.75 | +0.25 | - | - | - | - |
| Total | | | | | 1,048 | 10 |

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 699/4 | -2/4 | 702/0 | 697/0 | 8,010 | 10,830 |
| Mar | 705/4 | -3/0 | 709/4 | 704/2 | 422,695 | 176,295 |
| May | 711/2 | -3/0 | 715/4 | 710/4 | 192,135 | 35,385 |
| Jul | 711/0 | -2/0 | 714/4 | 708/4 | 165,060 | 27,110 |
| Aug | 703/0 | -2/0 | 706/4 | 702/4 | 27,870 | 1,620 |
| Sep | 678/0 | - | 679/4 | 675/6 | 17,210 | 480 |
| Total | | | | | 917,525 | 263,220 |

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 30.21 | -0.22 | 30.47 | 30.16 | 2,874 | 1,871 |
| Mar | 30.26 | -0.12 | 30.43 | 30.05 | 44,898 | 15,012 |
| May | 29.93 | -0.15 | 30.10 | 29.75 | 19,999 | 3,571 |
| Jul | 29.40 | -0.10 | 29.52 | 29.20 | 14,899 | 2,481 |
| Aug | 28.90 | -0.05 | 28.95 | 28.80 | 5,172 | 241 |
| Sep | 28.12 | +0.02 | 28.25 | 28.00 | 4,438 | 138 |
| Total | | | | | 100,805 | 25,114 |

■ SOYABEAN MEAL CBT (100 tons; $/ton)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 194.9 | -1.5 | 198.3 | 194.8 | 1,204 | 1,825 |
| Mar | 195.9 | -1.6 | 197.5 | 195.5 | 39,934 | 12,965 |
| May | 197.3 | -1.2 | 198.5 | 197.0 | 15,984 | 2,130 |
| Jul | 198.1 | -1.4 | 199.4 | 198.0 | 15,030 | 2,528 |
| Aug | 198.5 | -1.1 | 197.9 | 196.5 | 5,989 | 474 |
| Sep | 195.5 | -0.7 | 196.0 | 195.2 | 3,145 | 320 |
| Total | | | | | 87,504 | 20,957 |

■ POTATOES LCE (£/tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 135.0 | - | - | - | 34 | - |
| Apr | 102.8 | -0.4 | 104.5 | 102.5 | 1,813 | 39 |
| May | 121.3 | -0.6 | 121.9 | 120.5 | 713 | 163 |
| Jun | 130.0 | - | - | - | 2 | - |
| Nov | 85.0 | - | - | - | - | - |
| Mar | 105.0 | - | - | - | - | - |
| Total | | | | | 2,560 | 202 |

■ FREIGHT (BIFFEX) LCE ($10/index point)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 1326 | -5 | 1231 | 1225 | 738 | 14 |
| Feb | 1250 | -20 | 1261 | 1250 | 221 | 17 |
| Mar | 1288 | -1 | - | - | 160 | - |
| Apr | 1285 | -10 | 1285 | 1275 | 1,016 | 20 |
| Jul | 1152 | -13 | 1165 | 1150 | 223 | 15 |
| Oct | 1310 | +2 | - | - | 221 | - |
| Total | | | | | 2,833 | 66 |

| | Close | Prev |
|---|---|---|
| BFI | 1243 | 1244 |

## SOFTS

■ COCOA LCE (£/tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 914 | -7 | 928 | 912 | 31,869 | 1,425 |
| May | 923 | -6 | 937 | 917 | 14,829 | 2,851 |
| Jul | 934 | -9 | 949 | 933 | 10,522 | 769 |
| Sep | 947 | -9 | 960 | 945 | 10,533 | 208 |
| Dec | 962 | -8 | 971 | 958 | 14,455 | 744 |
| Mar | 975 | -7 | 988 | 974 | 24,894 | 114 |
| Total | | | | | 124,125 | 6,491 |

■ COCOA CSCE (10 tonnes; $/tonnes)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 1121 | -41 | 1165 | 1120 | 31,266 | 2,549 |
| May | 1157 | -40 | 1198 | 1155 | 16,530 | 1,074 |
| Jul | 1190 | -38 | 1228 | 1186 | 10,616 | 141 |
| Sep | 1210 | -43 | 1250 | 1210 | 6,640 | 9 |
| Dec | 1237 | -40 | 1271 | 1238 | 6,448 | 9 |
| Mar | 1262 | -34 | 1290 | 1262 | 7,536 | 58 |
| Total | | | | | 88,718 | 3,840 |

■ COCOA (ICCO) (SDR's/tonne)

| Jan 18 | Price | Prev. day |
|---|---|---|
| Daily | 938.48 | 943.73 |
| Jan 19 | | |
| 10 day average | 923.49 | 924.02 |

■ COFFEE LCE ($/tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Jan | 1153 | -32 | 1183 | 1155 | 372 | 197 |
| Mar | 1169 | -34 | 1200 | 1168 | 14,604 | 2,175 |
| May | 1175 | -32 | 1202 | 1175 | 10,935 | 2,034 |
| Jul | 1168 | -32 | 1196 | 1169 | 2,704 | 620 |
| Sep | 1172 | -29 | 1200 | 1170 | 1,382 | 224 |
| Nov | 1173 | -28 | 1200 | 1200 | 894 | 1 |
| Total | | | | | 31,972 | 5,252 |

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 72.50 | -2.15 | 74.10 | 72.00 | 34,216 | 6,496 |
| May | 74.15 | -2.10 | 75.70 | 73.60 | 12,301 | 1,129 |
| Jul | 75.65 | -2.10 | 77.10 | 75.30 | 3,938 | 291 |
| Sep | 77.15 | -2.05 | 78.45 | 77.00 | 2,631 | 221 |
| Dec | 79.00 | -1.50 | 80.25 | 78.85 | 1,483 | 141 |
| Mar | 80.75 | -1.50 | 80.80 | 80.80 | 765 | 1 |
| Total | | | | | 55,350 | 8,303 |

■ COFFEE (ICO) (US cents/pound)

| Jan 18 | Price | Prev. day |
|---|---|---|
| Comp. daily | 69.84 | 69.46 |
| 15 day average | 69.12 | 69.25 |

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 10.52 | -0.05 | - | - | 1,130 | - |
| May | 11.07 | - | 11.05 | 11.00 | 808 | 120 |
| Jul | 11.27 | -0.01 | - | - | 2,863 | - |
| Oct | 11.05 | +0.06 | - | - | 54 | - |
| Total | | | - | - | 4,855 | 120 |

■ WHITE SUGAR LCE ($/tonne)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 288.40 | +0.90 | 288.00 | 286.50 | 6,575 | 845 |
| May | 287.60 | +0.20 | 287.50 | 285.50 | 3,383 | 627 |
| Aug | 292.10 | - | 292.00 | 291.00 | 1,614 | 46 |
| Oct | 280.80 | -0.30 | 281.10 | 279.50 | 1,966 | 153 |
| Dec | 279.80 | - | - | - | 80 | - |
| Mar | 280.80 | -0.60 | - | - | 83 | - |
| Total | | | | | 13,682 | 1,671 |

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 10.28 | -0.07 | 10.38 | 10.23 | 44,396 | 10,719 |
| May | 10.67 | -0.08 | 10.81 | 10.58 | 28,436 | 4,770 |
| Jul | 10.72 | -0.02 | 10.82 | 10.70 | 15,680 | 1,103 |
| Oct | 10.69 | - | 10.75 | 10.67 | 15,630 | 1,022 |
| Mar | 10.74 | +0.05 | 10.75 | 10.68 | 2,899 | 412 |
| May | 10.74 | +0.04 | - | - | 111 | 2 |
| Total | | | | | 107,320 | 18,058 |

■ COTTON NYCE (50,000lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 71.29 | -0.28 | 72.20 | 70.85 | 22,348 | 5,858 |
| May | 72.15 | -0.33 | 73.06 | 71.80 | 15,850 | 3,771 |
| Jul | 73.16 | -0.24 | 73.80 | 72.65 | 7,991 | 2,073 |
| Oct | 70.90 | -0.17 | 71.90 | 70.85 | 1,480 | 301 |
| Dec | 69.40 | -0.38 | 69.99 | 68.86 | 7,918 | 833 |
| Mar | 70.10 | -0.45 | - | - | 80 | 19 |
| Total | | | | | 55,720 | 12,951 |

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Mar | 110.50 | +1.85 | 110.70 | 107.00 | 251 | 120 |
| May | 113.00 | +2.50 | 113.00 | 108.30 | 11,796 | 253 |
| Jul | 115.00 | +2.50 | 113.75 | 111.25 | 2,501 | 300 |
| Sep | 117.00 | +2.75 | - | - | 1,115 | 62 |
| Nov | 118.75 | +3.00 | 117.50 | 115.90 | 753 | - |
| Jan | 120.25 | +3.50 | - | - | 250 | 92 |
| Total | | | | | 17,101 | 829 |

**Cotton**

No spot or shipment sales were recorded in Liverpool for the week ended January 14, against 146 tonnes in the previous week. Activity was severely restrained and business was on narrow lines. Cost of raw cotton deterred users from increasing their purchases.

**VOLUME DATA**

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

## INDICES

■ REUTERS (Base: 18/9/31=100)

| Jan 19 | Jan 18 | month ago | year ago |
|---|---|---|---|
| 1702.7 | 1687.7 | 1657.8 | 1701.8 |

■ CRB (Base: 4/9/56=100)

| Jan 18 | Jan 17 | month ago | year ago |
|---|---|---|---|
| 227.42 | 226.06 | 224.05 | 202.06 |

## MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 73.200 | -0.300 | 73.675 | 73.175 | 28,769 | 7,139 |
| Apr | 75.625 | -0.300 | 76.100 | 75.550 | 27,696 | 5,230 |
| Jun | 73.900 | -0.275 | 74.200 | 73.850 | 18,507 | 2,025 |
| Aug | 72.625 | -0.050 | 72.800 | 72.600 | 9,716 | 1,324 |
| Oct | 72.775 | -0.050 | 73.025 | 72.750 | 6,521 | 604 |
| Dec | 73.575 | -0.275 | 74.000 | 73.550 | 1,170 | 39 |
| Total | | | | | 92,728 | 16,460 |

■ LIVE HOGS CME (40,000lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 47.550 | -0.225 | 47.800 | 47.375 | 7,642 | 2,807 |
| Apr | 48.775 | -0.100 | 48.900 | 48.450 | 10,029 | 2,495 |
| Jun | 53.800 | -0.025 | 54.000 | 53.575 | 6,852 | 845 |
| Jul | 53.250 | - | 53.400 | 53.075 | 2,943 | 208 |
| Aug | 51.875 | -0.100 | 52.000 | 51.800 | 1,943 | 187 |
| Oct | 48.700 | -0.125 | 49.050 | 48.650 | 1,590 | 103 |
| Total | | | | | 31,979 | 6,694 |

■ PORK BELLIES CME (40,000lbs; cents/lbs)

| | Sett price | Day's change | High | Low | Open int | Vol |
|---|---|---|---|---|---|---|
| Feb | 54.800 | -1.475 | 56.250 | 54.575 | 4,526 | 2,149 |
| Mar | 55.325 | -1.750 | 56.900 | 55.250 | 2,330 | 626 |
| May | 56.600 | -1.550 | 58.100 | 56.500 | 2,375 | 552 |
| Jul | 57.425 | -1.525 | 58.400 | 57.250 | 1,793 | 130 |
| Aug | 55.475 | -0.950 | 56.500 | 55.400 | 278 | 12 |
| Total | | | | | 11,293 | 3,469 |

## LONDON TRADED OPTIONS

| Strike price $ tonne | Calls | | Puts | |
|---|---|---|---|---|
| ■ ALUMINIUM (99.7%) LME | Apr | Jul | Apr | Jul |
| 1175 | 85 | 71 | 34 | 48 |
| 1200 | 51 | 59 | 45 | 61 |
| 1225 | 40 | 48 | 59 | 74 |
| ■ COPPER (Grade A) LME | Apr | Jul | Apr | Jul |
| 1850 | 88 | 112 | 43 | 51 |
| 1900 | 61 | 85 | 66 | 72 |
| 1950 | 41 | 62 | 95 | 99 |
| ■ COFFEE LCE | Mar | May | Mar | May |
| 1150 | 41 | 74 | 22 | 49 |
| 1200 | 20 | 50 | 51 | 75 |
| 1250 | 7 | 34 | 88 | 109 |
| ■ COCOA LCE | Mar | May | Mar | May |
| 925 | 25 | 50 | 38 | 52 |
| 950 | 16 | 40 | 52 | 67 |
| 975 | 10 | 32 | 71 | 84 |
| ■ BRENT CRUDE IPE | Mar | Apr | Mar | Apr |
| 1350 | - | - | 30 | 43 |
| 1400 | 51 | 75 | 45 | 64 |
| 1450 | 30 | 46 | - | - |

## LONDON SPOT MARKETS

| ■ CRUDE OIL FOB (per barrel/Mar) | | +or- |
|---|---|---|
| Dubai | $12.90-2.95w | +0.16 |
| Brent Blend (dated) | $14.11-4.16 | +0.11 |
| Brent Blend (Mar) | $13.94-3.95 | +0.09 |
| W.T.I. (1pm est) | $15.08-5.10w | +0.12 |

| ■ OIL PRODUCTS NWE prompt delivery CIF (tonne) | | |
|---|---|---|
| Premium Gasoline | $144-146 | |
| Gas Oil | $150-151 | +0.5 |
| Heavy Fuel Oil | $63-66 | +1.5 |
| Naphtha | $129-132 | +1.0 |
| Jet Fuel | $167-169 | +0.5 |

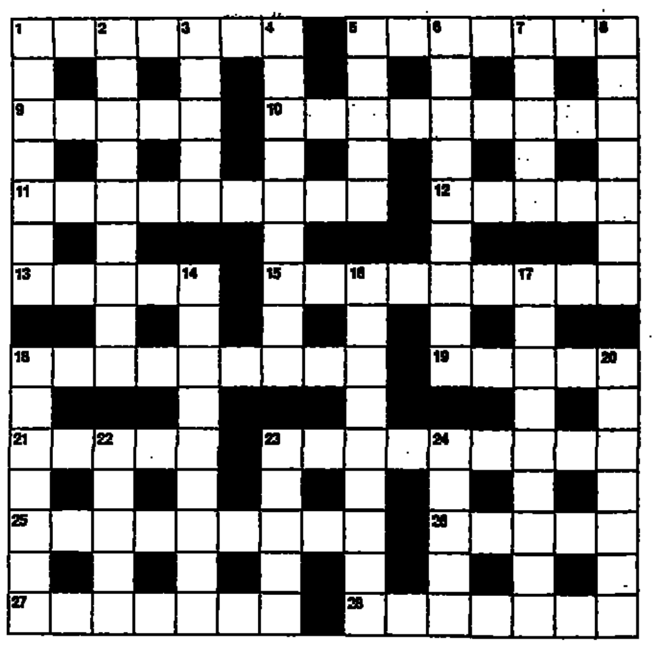
*Petroleum Argus Estimates*

| ■ OTHER | | |
|---|---|---|
| Gold (per troy oz)♣ | $391.40 | +0.16 |
| Silver (per troy oz)♣ | 525.5c | |
| Platinum (per troy oz.) | $393.25 | -0.75 |
| Palladium (per troy oz.) | $124.90 | |
| Copper (US prod.) | 91.0c | +2.0 |
| Lead (US prod.) | 35.00c | |
| Tin (Kuala Lumpur) | 13.49r | -0.01 |
| Tin (New York) | 234.50c | +2.00 |
| Zinc (US Prime W.) | Unq. | |
| Cattle (live weight)†† | 121.16p | +0.11* |
| Sheep (live weight)†♠ | 101.07p | +4.45* |
| Pigs (live weight) | 67.68p | +1.39* |
| Lon. day sugar (raw) | $254.70 | +1.80 |
| Lon. day sugar (wte) | $288.70 | -1.40 |
| Tate & Lyle export | $281.50 | +1.50 |
| Barley (Eng. feed) | £108.25 | |
| Maize (US No3 Yellow) | £127.00v | |
| Wheat (US Dark North) | £143.50 | |
| Rubber (Feb)♥ | 61.00p | +0.25 |
| Rubber (Mar)♥ | 61.25p | +0.25 |
| Rubber (KL RSS No1 Feb) | 221.0m | +1.0 |
| Coconut Oil (Phil)§ | $567.5x | +12.5 |
| Palm Oil (Malay.)§ | $405.0t | +7.5 |
| Copra (Phil)§ | $380.0 | -20.0 |
| Soyabeans (US) | £212.0y | |
| Cotton 'A' index | 70.30c | +1.60 |
| Wooltops (64s Super) | 350p | |

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Feb/Apr w Mar. ‡ Jan/Mar. v Feb. t Feb/Mar. z Mar/Apr. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week, provisional prices.

## CROSSWORD

No.8,358 Set by ADAMANT



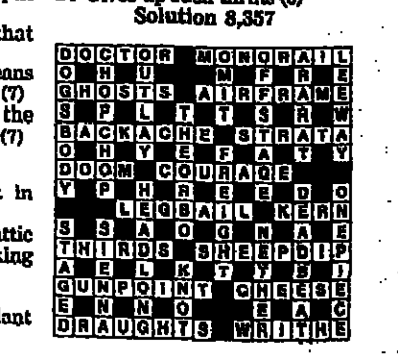
**ACROSS**

1 Change of character without EC complaint (7)
5 Sprinkler service (7)
9 Prepared to go steady? The other way round at the start! (5)
10 Use garden rubbish overall (9)
11 Western Asians are people in tune with opposing points (9)
12 Noted everyone's instruction (5)
13 Fund ITT in southern state (5)
15 Make an unscheduled appearance (9)
18 Period when one is not well off (4,5)
19 Underwrites Taurus with Leo? (5)
21 Needling the little Greek in time past (5)
23 Hoard a whole heap of soup (9)
25 Penalty for filling the pill with cold, dark fluid (4-5)
26 Hold on to vocation that almost all are leaving (5)
27 Loss of liquid assets means rough time at end of day (7)
28 Think differently when the other sides go no trumps (7)

**DOWN**

1 Complain over houseboat in the multi-storey (7)
2 A rum mixture in untidy attic can be emotionally shocking (9)
3 Fibre light working (5)
4 Angry? Head off to the plant (9)
5 Additional pay on entering the coach (5)
6 Medical groups must take action in the matter of costs (9)
7 Not moving in the container terminal (5)
8 Did Hess aim somehow to be a saviour? (7)
14 Contemptible person jaundiced by the chow, perhaps (6,3)
16 Decorated the umpire who worked out (9)
17 Nationalise whole section of the UK (9)
18 Beat up having raced round the circuit (7)
20 Cunning old Bob left the crew (7)
22 Wall Street's Gordon was a reptile (5)
23 Fast writer (5)
24 Gives up such thrills (5)

**Solution 8,357**




**JOTTER PAD**

# LONDON STOCK EXCHANGE

**MARKET REPORT**

# New peaks for the FT-SE 100 and the Mid 250

By Terry Byland,
UK Stock Market Editor

Favourable data on UK inflation and retail sales combined with a buying frenzy among the second line stocks to take the UK equity market to a new peak yesterday. The FT-SE 100-share Index broke through to a new trading high at midsession before settling to a new closing peak of 3,475.1, for an advance on the day of 38.1.

However, the 1 per cent gain in the Footsie was well outpaced by the FT-SE Mid 250 Index, which bounded ahead by nearly 4 per cent, closing 135.5 points up at an all-time high of 4,148.8. Demand for the Mid 250 issues, swollen for the past week as investors searched for undervalued stocks, rocketed yesterday when a leading Swiss-based investment bank struggled to put in around £1bn as the preliminary move to issuing a covered warrant on the sector.

The UK stock market came near to splitting into two halves yesterday. The Footsie blue chips opened firmly, spurred on by strong performances in Far Eastern markets overnight and by interest rate optimism across other European bourses ahead of today's meeting of the Bundesbank.

With the market only one hour into official trading, the pace was put into overdrive by the announcement of the latest UK retail prices and sales data, which indicated that inflation was still under control while retail sales were disappointing – the perfect background for a cut in base rates, according to equity traders.

| Account Dealing Dates | | |
|---|---|---|
| *First Dealings: | | |
| Jan 4 | Jan 17 | Jan 31 |
| Option Declarations: | | |
| Jan 13 | Jan 27 | Feb 10 |
| Last Dealings: | | |
| Jan 14 | Jan 28 | Feb 11 |
| Account Day: | | |
| Jan 24 | Feb 7 | Feb 21 |

*New time dealings may take place from two business days earlier.

The annualised rise of 1.9 per cent in December's retail price index and a surprising fall of 0.2 per cent in December retail sales was followed by a jump in the Footsie, which at midsession stood at a new intraday peak of 3,484.5, a gain of 47.5. Share gains were also fuelled by strong rises in UK government bond prices in response to the statistics on the domestic economy.

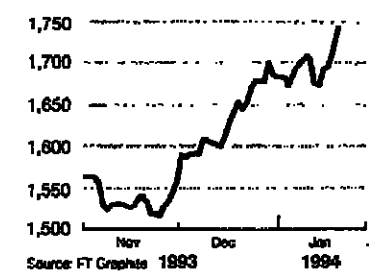
Analysts were somewhat confused by the retail sales statistics which appeared to contradict other recent data. However, the unexpected fall in December sales revived hopes that the widely-predicted cut in UK base rates might now arrive earlier than the spring. Hopes of an early cut in base rates had been postponed in view of the impending impact of the UK budget measures announced last November.

At least two trading programmes marched across the dealing screens, and prices were again driven forward by frantic activity by market-makers whose stock books were repeatedly emptied, forcing them to join the rush of buyers in the marketplace. Investors were completely unwilling to part with stock, so prices were forced higher. Once again, the blue chips were led forward by the stock index futures market, where the December contract traded comfortably above 3,500 at its best moment.

It was soon clear, however, that it was the FT-SE Mid 250 stocks which were capturing much of the interest. The Footsie stocks eased back, the Index shedding about 12 points of the early gain, before regaining its poise as Wall Street edged into a gain of 8.7 Dow points in early deals and continental European bourses extended their gains.

Seaq volume of 1,320.7m shares, reflected the heavy trading in the smaller capitalised stocks; non-Footsie business made up around 66 per cent of the total. On Tuesday, 964.9m shares traded through Seaq for a retail worth of £2.17bn, one of the highest figures for the past twelve months.

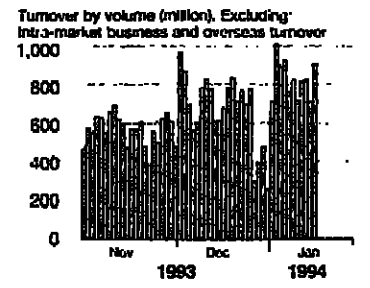
**FT-SE-A All-Share Index**




Source: FT Graphite

**Equity Shares Traded**

Turnover by volume (million). Excluding: intra-market business and overseas turnover




**■ Key Indicators**

**Indices and ratios**

| | | | | | |
|---|---|---|---|---|---|
| FT SE 100 | 3475.1 | +38.1 | FT Ordinary Index | 2654.1 | +30.8 |
| FT-SE Mid 250 | 4148.8 | +135.5 | FT-SE-A Non Fins p/e | 25.65 | (22.51) |
| FT-SE-A 350 | 1760.6 | +28.3 | FT-SE 100 Fut Mar | 3501.0 | +43.0 |
| FT-SE-A All-Share | 1743.78 | +28.15 | 10 yr Gilt yield | 6.16 | (6.25) |
| FT-SE-A All-Share yield | 3.25 | (3.30) | Long gilt/equity yld ratio: | 2.05 | (2.11) |

**Best performing sectors**

1 Property .... +4.9
2 Other Services & Bus. .... +4.6
3 Other Financial .... +3.8
4 Retailers, Food .... +3.6
5 FT-SE Mid 250 ex IT's .... +3.4

**Worst performing sectors**

1 Diversified Inds. .... +0.3
2 Pharmaceuticals .... +0.6
3 Household Goods .... +0.8
4 Tobacco .... +0.8
5 Spirits, Wines & Ciders .... +0.8

# Tremors in gas sector

The oil and gas areas lagged behind the rest of the market and also provided one of the market's most heavily traded stocks in British Gas, which recovered only partially from heavy selling pressure early in the session.

The early selling was triggered by bearish stories said to have emanated from a lunch on Tuesday at Smith New Court, the securities house, which hosted Ms Clare Spottiswoode, the new director general of Ofgas, the gas industry watchdog, and a number of investment institutions. Smith declined to comment but sector specialists said the institutions appeared notably more cautious towards British Gas following the lunch. "There are perceptions that the new regulatory regime could well prove tougher than expected," said one analyst, who pointed out that Gas shares are approaching a three-year relative low.

Gas shares underperformed the wider market all day but managed to edge ahead to finish a net 4½ higher at 342p. Turnover reached a heavy 14m shares.

## Drugs uncertain

Pharmaceutical stocks came under heavy pressure in New York late yesterday after disappointing results from US group Pfizer led to profit downgrades and heavy selling of the whole sector. SmithKline and Glaxo were most seriously affected in spite of favourable fundamental news.

SmithKline has benefited from enthusiastic response to its new shingles treatment Famvir and received a further push from a hefty note from NatWest securities. NatWest said that SmithKline was poised to benefit at the expense of Wellcome whose headline product, Zovirax is poised to come off patent soon. The note, which featured unpleasant photographs of patients disfigured by herpes, failed to impact on the Wellcome shares which rose 21 to 683p.

SmithKline improved 4 to 439p in the 'A's but lost a penny to 399p in the Units which were trading at the equivalent of 392p in New York shortly after the London market closed.

Meanwhile, Glaxo announced that its Japanese subsidiary had received approval from the Ministry of health and welfare for both oral and injectable forms of Zofran, the anti-nausea treatment for chemotherapy patients. The shares closed a penny at 681p in London but the American Depositary Receipts were trading at the equivalent of 673p aftes the market shut.

Pfizer shares tumbled $6 to $61⅞ in early US trading with Paine Webber among several houses to cut forecasts.

## Tesco cheer

A rare piece of good news for the food retail sector came as a trading statement from Tesco was well received by the market and sent the shares foward 15 to 251½p in hefty trading of 18m. Food analysts said the supermarket group's decision to cut its capital expenditure and store opening programme eased concerns over market saturation. They were also cheered by the decision to increase the dividend ahead of earnings growth. "Tesco's has at last faced reality with this statement," said one specialist.

As widely rumoured, the supermarket group decided to begin making provisions for depreciating its buildings and also to make a write-down of £85m on surplus land. However, the positive sentiment, together with the rising market, helped the other retailers. Among these, J Sainsbury climbed 10 to 477p.

Strong two way business in Rolls-Royce saw turnover jump to 17m as US buyers returned to the stock ignoring a profits downgrade from Hoare Govett, the group's broker.

However there were fears that the renewed US interest may soon challenge the 29.5 per cent limit on overseas ownership set in the group's articles of association.

Hoare Govett reduced its current year forecast by £10m to £75m. The shares closed 1½ ahead at 174p.

British Aerospace was back in favour on hopes of a lucrative Hawk order from India, and a view that the recent falls had been overdone. The shares bounced 25 to 416p, with volume reaching 7.5m. The Pacific Rim-influenced bank stocks, principally HSBC and Standard Chartered, continued to race ahead, boosted by the latest rise on the Hong Kong market. Standard Chartered jumped 26 more to 1229p, after 1248p, after the bank's broker, Cazenove, was said to have given the stock a strong push, highlighting the discrepancy between Standard's prospective price earnings ratio, around the 7.5 mark, compared with that of HSBC, some 10.5 times and other far eastern eastern stocks which are rated around 20 times earnings. Some of the market's super optimists are forecasting a doubling of Standard's shares.

HSBC put on 29 to 976p. Bank of East Asia is not a subsidiary of HSBC, as incorrectly reported here yesterday.

TSB leapt 10 to a record 286p, as a number of broking firms continued to upgrade their estimates and recommendations on the stock following the recent preliminary figures.

Oil stocks were restrained by worries about oil prices but were also said to have been weakened by hints that Enterprise and Lasmo, are about to have their debt ratings reduced by Standard & Poor's, one of the leading US credit-rating agencies.

Enterprise retained a 7 gain at 469p, still helped by stories that Elf has decided not to sell its 10 per cent stake in the short term. Lasmo, meanwhile, edged up 2½ to 126½p, following news that its important Indonesian oil equivalent reserves have been upgraded by 13 per cent, or 59m barrels of oil equivalent, following an independent assessment.

Among transport stocks, BAA fell 5 to 1056p on fears that a review on airport regulation announced on Tuesday may have a negative impact on BAA's pricing formula discussions with the government due to start later this year.

In a strong property sector, MEPC was further boosted by a postive agm and the shares jumped 29 to 561p.

Some leading leisure stocks were knocked with Forte falling 5 to 276p. Kleinwort Benson, which has Forte as a hold, said the stock was overbought in the face of the hestitant pace of recovery in the hotel market.

Turnover in Burton hit 16m as Lehman Brothers, matched a buyer and seller of 6.5m shares. The deals were struck at 73p and 73¾p. The shares nudged up a half-penny to 74p.

**MARKET REPORTERS:**
**Christopher Price, Joel Kibazo, Peter John, Steve Thompson.**

■ Other statistics, Page 20

## NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (742).
GILTS (6) OTHER FIXED INTEREST (10) BANKS (2) ANZ, TSB, BREWERIES (7) Burtonwood, Eldridge Pope A, Greenalls, Greene King, Regent Inns, Vaux, Young A, BUILDING & CNSTRN (44) BLDG MATLS & MCHTS (25) CHEMICALS (9) Allied Colloids, BTP, Bnt. Vita, Canning (W), Croda, Laporte, Perstorp B, Wolstenholme Rink, Yorkshire Chems., DISTRIBUTORS (30) DIVERSIFIED INDLS (16) ELECTRICITY (3) London, Manweb, Seeboard, ELECTRNC & ELECT EQUP (23) ENGINEERING (44) ENG. VEHICLES (10) EXTRACTIVE INDS (13) FOOD MANUF (11) GAS DISTRIBUTION (1) Calor, HEALTH CARE (4) Assoc. Nursing Servs., Community Hsptls., Nestor-BNA, UniChem, HOUSEHOLD GOODS (6) Airsprung Furn., Creighton Naturally, Lincoln House, Mayborn, Osborne & Little, Royal Doulton, INSURANCE (5) Commercial Union, Heath (CE), Lowndes Lambert, New London Cap., Skandia, INVESTMENT TRUSTS (187) INVESTMENT COMPANIES (6) Brazilian Inv Tst, Do Wrts., JF Pacific Wrt., Mediterranean Fd., Sth. America Fd., Do Wrts., LEISURE & HOTELS (16) LIFE ASSURANCE (6) Britannic, Irish Life, Legal & Gen., Lloyds Abbey, London & Man., Refuge, Transatlantic, Do 8 6pc Pf., MEDIA (33) MERCHANT BANKS (6) OIL EXPLORATION & PROD (6) Brit. Borneo, Kelt Energy, Monument, OGC, Scott Pickford, Villers, OIL, INTEGRATED (2) Norsk Hydro, Petrofina, OTHER FINANCIAL (31) OTHER SERVS & BUSNS (9) Attwoods, Brit. Bloodstock, Caldorburn, General Mtrs. Units, Gt. Southern, Leigh Intrs., Scapa, Shelton (M), UDO, PHARMACEUTICALS (2) Lilly (Eli), Novo Nordisk 'B', PRTNG, PAPER & PACKG (23) PROPERTY (42) RETAILERS, FOOD (1) Park Food, RETAILERS, GENERAL (21) SPIRITS, WINES & CIDERS (2) Highland Dists., Matthew Clark, SUPPORT SERVS (25) TELECOMMUNICATIONS (3) Securicor Gp, Do N/V, Security Servs., TEXTILES & APPAREL (12) TOBACCO (1) BAT Inds. 12 1/4 pc Uns Ln '03/08, TRANSPORT (16) WATER (6) East Surrey, Mid Kent, North West, Severn Trent, South West, Thames, Welsh, Wessex, AMERICANS (6) CANADIANS (4)
NEW LOWS (4).
CHEMICALS (1) Cambridge Isotope, MEDIA (1) Fitch, OIL EXPLORATION & PROD (1) Sunrise Energy Servs Inc. AMERICANS (1)

## EQUITY FUTURES AND OPTIONS TRADING

Stock index futures closed at a record high and volume in the traded options soared as renewed hopes of a cut in UK interest rates brought hectic trading to the derivatives sector, *writes Joel Kibazo.*

In futures, a tentative start to trading gave way to hectic buying of the March contract on the FT-SE 100 following the release of weaker than anticipated inflation figures as traders came to the view that the poor figures would lead to a rate cut.

Dealers said demand was across the board, with independent traders (locals) said to have been particularly short of stock. This developed into a squeeze which drove March to an all-time intraday high of 3,506 just before lunch.

Strong arbitrage activity was carried out by many of the leading players in the market as the contract maintained a strong premium to cash throughout the day.

March came off the top in early afternoon trading but still closed at a record high for the future at 3,501, around 16 points ahead of its fair value premium to cash of about 6 points. Volume was particularly heavy, reaching 20,677 at the official close, while a further 2,000 lots were dealt in after-hours' trading.

A very active session was also seen in traded options, where turnover rose to a hefty 58,425 contracts. However, dealers said activity in the FT-SE 100 option was slightly disappointing, though it reached 25,082 lots, while some 6,315 were traded in the Euro FT-SE option. Amstrad was the busiest stock option at 2,893 lots, followed by Tesco at 2,582 contracts. HSBC saw 1,954 lots dealt, with Kleinwort Benson said to have shown a keen interest in the October 950 straddle.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

| | Open | Sett price | Change | High | Low | Est. vol | Open Int. |
|---|---|---|---|---|---|---|---|
| Mar | 3473.0 | 3501.0 | 43.0 | 3506.0 | 3465.0 | 22806 | 67175 |
| Jun | - | 3515.0 | 42.5 | - | - | 0 | 5758 |
| Sep | - | 3531.0 | 42.5 | - | - | 0 | 200 |

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3479) £10 per full index point

| | 3200 C | 3200 P | 3250 C | 3250 P | 3300 C | 3300 P | 3350 C | 3350 P | 3400 C | 3400 P | 3450 C | 3450 P | 3500 C | 3500 P | 3550 C | 3550 P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 72 |
| Feb | 303 | 3½ | 255 | 5½ | 208½ | 9 | 163½ | 15 | 123 | 23½ | 87 | 39½ | 58½ | 60 | 37 | 89½ |
| Mar | 309 | 11½ | 263½ | 15 | 221 | 22 | 179½ | 30½ | 142½ | 43½ | 108½ | 61 | 81 | 81½ | 57½ | 109 |
| Apr | 317½ | 18½ | 275½ | 25½ | 232½ | 32½ | 195 | 45½ | 158½ | 58½ | 128½ | 78½ | 100 | 98½ | 77½ | 126½ |
| Jun† | - | 341½ | - | 34 | | | 263 | 54 | | | 192 | 82 | | | 130½ | 120½ |

Calls 12,869 Puts 13,206

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

| | 3125 C | 3125 P | 3175 C | 3175 P | 3225 C | 3225 P | 3275 C | 3275 P | 3325 C | 3325 P | 3375 C | 3375 P | 3425 C | 3425 P | 3475 C | 3475 P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan | 366 | ½ | 316 | ½ | 266 | ½ | 216 | ½ | 166 | ½ | 116 | 1 | 66 | 2 | 23 | 12½ |
| Feb | 375 | 2 | 328 | 2½ | 278 | 4 | 231 | 6½ | 185½ | 11 | 143 | 18½ | 104½ | 29½ | 71½ | 46 |
| Mar | 378 | 5½ | | | 285 | 12½ | | | 198 | 25 | | | 124½ | 49½ | | |
| Jun | 403½ | 22½ | | | 319½ | 36 | | | 242½ | 57 | | | 176 | 88 | | |
| Sept† | 438 | 38½ | | | 351 | 56 | | | 278 | 80 | | | 215 | 133 | | |

Calls 5,664 Puts 658 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

## TRADING VOLUME

■ Major Stocks yesterday

| | Vol. 000s | Closing price | Day's change |
|---|---|---|---|
| ASDA Group† | 26,000 | 64½ | +3 |
| Abbey National† | 3,700 | 520 | +4 |
| Albert Fisher | 9,600 | 73½ | +2½ |
| Allied-Lyons† | 1,800 | 658 | +8 |
| Anglian Water† | 1,600 | 587 | +18 |
| Argos | 721 | 385½ | +7½ |
| Argyll Group† | 15,000 | 305 | +8 |
| Arjo Wiggins† | 3,500 | 283 | +3 |
| Assoc. Brit. Foods† | 37 | 574 | |
| [illegible] | [illegible] | [illegible] | [illegible] |

## FT - SE Actuaries Share Indices — The UK Series

| | Jan 19 | Day's chge% | Jan 18 | Jan 17 | Jan 14 | Year ago | Div. yield% | Earn. yield% | P/E ratio | Xd adj. ytd | Total Return |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FT-SE 100 | 3475.1 | +1.1 | 3437.0 | 3407.8 | 3400.6 | 2748.7 | 3.39 | 5.06 | 24.56 | 2.39 | 1273.79 |
| FT-SE Mid 250 | 4148.8 | +3.4 | 4013.3 | 3948.8 | 3915.7 | 2889.9 | 2.94 | 4.59 | 26.88 | 7.21 | 1507.37 |
| FT-SE Mid 250 ex Inv Trusts | 4160.7 | +3.4 | 4024.4 | 3957.2 | 3922.5 | 2910.9 | 3.03 | 4.91 | 25.35 | 7.37 | 1508.85 |
| FT-SE-A 350 | 1760.6 | +1.6 | 1732.3 | 1714.6 | 1708.5 | 1353.4 | 3.29 | 4.95 | 25.07 | 1.84 | 1321.99 |
| FT-SE SmallCap | 2014.21 | +1.8 | 1978.95 | 1954.24 | 1940.69 | 1425.93 | 2.72 | 3.40 | 37.91 | 1.91 | 1528.91 |
| FT-SE SmallCap ex Inv Trusts | 1977.35 | +1.7 | 1943.81 | 1916.86 | 1902.26 | 1437.49 | 2.88 | 3.75 | 35.11 | 2.09 | 1503.67 |
| FT-SE-A ALL-SHARE | 1743.78 | +1.6 | 1715.63 | 1697.81 | 1691.38 | 1334.58 | 3.25 | 4.84 | 25.65 | 1.63 | 1332.56 |

■ FT-SE Actuaries All-Share

| | Jan 19 | Day's chge% | Jan 18 | Jan 17 | Jan 14 | Year ago | Div. yield% | Earn yield% | P/E ratio | Xd adj. ytd | Total Return |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 MINERAL EXTRACTION(16) | 2640.20 | +1.3 | 2606.42 | 2583.49 | 2576.63 | 1856.90 | 3.34 | 4.82 | 25.65 | 0.00 | 1029.88 |
| 12 Extractive Industries(4) | 3932.67 | +2.7 | 3827.46 | 3781.89 | 3782.85 | 3048.20 | 3.17 | 4.65 | 25.43 | 0.00 | 1058.31 |
| 15 Oil, Integrated(3) | 2564.57 | +1.0 | 2540.38 | 2523.15 | 2517.15 | 1721.40 | 3.41 | 4.98 | 25.03 | 0.00 | 1019.75 |
| 16 Oil Exploration & Prod(11)● | 1968.72 | +1.4 | 1941.80 | 1903.90 | 1679.90 | 1698.90 | 3.03 | 3.65 | 35.22 | 0.00 | 1116.35 |
| 20 GEN MANUFACTURERS(263) | 2168.27 | +1.6 | 2134.44 | 2104.56 | 2089.01 | 1601.20 | 3.41 | 3.12 | 44.04 | 1.40 | 1073.46 |
| 21 Building & Construction(31) | 1508.76 | +3.4 | 1459.44 | 1407.22 | 1378.07 | 794.40 | 2.35 | 1.18 | 80.00† | 0.29 | 1154.11 |
| 22 Building Matls & Merchs(29) | 2380.46 | +1.6 | 2343.23 | 2300.51 | 2276.07 | 1381.50 | 2.96 | 2.46 | 55.81 | 1.14 | 1090.71 |
| 23 Chemicals(20) | 2395.25 | +2.4 | 2339.80 | 2333.56 | 2345.89 | 2011.20 | 3.85 | 0.36 | ‡‡‡ | 0.39 | 1029.16 |
| 24 Diversified Industrials(16) | 2141.89 | +0.3 | 2134.63 | 2089.71 | 2085.36 | 1763.40 | 4.15 | 4.17 | 30.99 | 2.39 | 1058.88 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# LONDON EQUITIES

## LIFFE EQUITY OPTIONS

| Option | | Calls Jan | Calls Apr | Calls Jul | Puts Jan | Puts Apr | Puts Jul |
|---|---|---|---|---|---|---|---|
| Allied-Lyons | 650 | 14 | 38 | 49 | 6 | 23 | 39 |
| (*658) | 700 | 1 | 16 | 26½ | 44½ | 52½ | 69½ |
| Argyll | 300 | 9 | 25 | 31 | 3½ | 15 | 24 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Option | | Calls Feb | Calls May | Calls Aug | Puts Feb | Puts May | Puts Aug |
|---|---|---|---|---|---|---|---|
| Hanson | 280 | 9 | 14 | 18 | 6½ | 13 | 17 |
| (*281) | 300 | 2½ | 6½ | 10½ | 20½ | 28 | 23½ |
| Lasmo | 120 | 12 | 20 | 25 | 6 | 12 | 16 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 67 | 1 | 10 |
| Other Fixed Interest | 15 | 0 | 0 |
| Mineral Extraction | 65 | 76 | 67 |
| General Manufactures | 398 | 54 | 234 |
| Consumer Goods | 110 | 16 | 68 |
| Services | 315 | 34 | 178 |
| Utilities | 39 | 2 | 5 |
| Financials | 226 | 29 | 138 |
| Investment Trusts | 352 | 3 | 110 |
| Others | 49 | 53 | 15 |
| Totals | 1,636 | 268 | 823 |

Data based on those companies listed on the London Share Service.

## LONDON RECENT ISSUES: EQUITIES

[illegible]

## FIXED INTEREST STOCKS

[illegible]

## RIGHTS OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1993/94 High | 1993/94 Low | Stock | Closing price p | +or- |
|---|---|---|---|---|---|---|---|
| 48 | Nil | 17/2 | 18pm | 8pm | Anglo Irish | 18pm | +2 |
| 73 | Nil | 31/1 | 15pm | 11pm | Cementone | 15pm | |
| 5 | Nil | 21/2 | 9½pm | 5pm | Europe Energy | 8½pm | |
| 68 | Nil | 24/2 | 7pm | 1½pm | Halkin | 1½pm | -1 |
| 25 | Nil | 9/2 | 1¾pm | ¾pm | §Ramus | 1¾pm | |

pm Price at a premium.

## FINANCIAL TIMES EQUITY INDICES

| | Jan 19 | Jan 18 | Jan 17 | Jan 14 | Jan 13 | Yr ago | *High | *Low |
|---|---|---|---|---|---|---|---|---|
| Ordinary share | 2654.1 | 2623.3 | 2615.5 | 2612.1 | 2577.4 | 2133.9 | 2654.1 | 2124.7 |
| Ord. div. yield | 3.52 | 3.56 | 3.57 | 3.56 | 3.62 | 4.41 | 4.52 | 3.52 |
| Earn. yld. % full | 3.98 | 4.03 | 4.04 | 4.05 | 4.10 | 6.06 | 6.38 | 3.98 |
| P/E ratio net | 31.69 | 31.32 | 31.25 | 31.18 | 30.77 | 21.04 | 31.69 | 19.40 |
| P/E ratio nil | 29.37 | 29.03 | 28.97 | 28.90 | 28.52 | 19.43 | 29.37 | 18.14 |
| Gold Mines | 244.1 | 247.6 | 250.3 | 245.7 | 242.9 | 60.0 | 277.9 | 60.0 |

*For 1993/94. Ordinary share index since compilation: high 2654.1 19/01/94; low 49.4 26/6/40
Predecessor Gold Mines Index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Ordinary share base date 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

| Open | 9.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High | Low |
|---|---|---|---|---|---|---|---|---|---|---|
| 2630.1 | 2635.3 | 2650.1 | 2657.1 | 2656.1 | 2657.7 | 2658.4 | 2652.2 | 2655.0 | 2660.9 | 2629.8 |

| | Jan 19 | Jan 18 | Jan 17 | Jan 14 | Jan 13 | Yr ago |
|---|---|---|---|---|---|---|
| SEAQ bargains | 49,145 | 36,980 | 38,498 | 43,321 | 36,893 | 27,289 |
| Equity turnover (£m)† | - | 2170.1 | 1594.0 | 2031.0 | 1940.7 | 1328.6 |
| Equity bargains† | - | 44,591 | 44,379 | 48,351 | 43,403 | 38,427 |
| Shares traded (ml)† | - | 905.3 | 707.3 | 817.4 | 803.4 | 566.3 |

† Excluding intra-market business and overseas turnover.

## TRADITIONAL OPTIONS

[illegible]

# LONDON SHARE SERVICE

## BANKS

[illegible]

## BREWERIES

[illegible]

## BUILDING & CONSTRUCTION

[illegible]

## BUILDING MATS. & MERCHANTS

[illegible]

## BUILDING MATS. & MERCHANTS - Cont.

[illegible]

## CHEMICALS

[illegible]

## DISTRIBUTORS

[illegible]

## DIVERSIFIED INDUSTRIALS

[illegible]

## ELECTRICITY

[illegible]

## ELECTRONIC & ELECTRICAL EQPT

[illegible]

## ELECTRONIC & ELECTRICAL EQPT - Cont.

[illegible]

## ENGINEERING

[illegible]

## ENGINEERING, VEHICLES

[illegible]

## EXTRACTIVE INDUSTRIES

[illegible]

## FOOD MANUFACTURERS

[illegible]

## GAS DISTRIBUTION

[illegible]

## HEALTH CARE

[illegible]

## HOUSEHOLD GOODS

[illegible]

## INSURANCE

[illegible]

## INVESTMENT TRUSTS

[illegible]

## INVESTMENT TRUSTS - Cont.

[illegible]

هكذا منه الأصل

# LONDON SHARE SERVICE

## INVESTMENT TRUSTS - Cont.

## LEISURE & HOTELS - Cont.

## LIFE ASSURANCE

## MEDIA

## MERCHANT BANKS

## OIL EXPLORATION & PRODUCTION

## OIL, INTEGRATED

## INVESTMENT COMPANIES

## LEISURE & HOTELS

## OTHER FINANCIAL

## OTHER SERVICES & BUSINESSES

## PHARMACEUTICALS

## PRINTING, PAPER & PACKAGING

## PROPERTY

## PROPERTY - Cont.

## RETAILERS, FOOD

## RETAILERS, GENERAL

## SPIRITS, WINES & CIDERS

## SPIRITS, WINES & CIDERS - Cont.

## SUPPORT SERVICES

## TELECOMMUNICATIONS

## TEXTILES & APPAREL

## TOBACCO

## TRANSPORT

## TRANSPORT - Cont.

## WATER

## AMERICANS

## CANADIANS

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| Trans Can Pipe | ♥ | 10$\frac{5}{16}$ | $-\frac{1}{16}$ | 11$\frac{1}{8}$ | 8$\frac{13}{16}$ | 1,767 | 4.2 | |

## SOUTH AFRICANS

| | Notes | Price | + or – | 1993/94 high | low | Mkt Cap£m | Yld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| Anglo Am Ind. | | £13½ | ---- | £13½ | £7½ | 805.4 | 5.2 | 11.4 |
| Barlow Rand. | | £4$\frac{1}{16}$ | $-\frac{1}{16}$ | £10⅝ | £4 | 822.2 | 7.8 | 7.6 |
| Gold Fields SA R | | £16$\frac{3}{4}$ | $-\frac{3}{4}$ | £18 | £7¼ | 1,549 | 2.5 | 28.5 |
| NK Props. | as | 90 | ---- | 97 | 68 | 3.82 | 15.1 | φ |
| SASOL | ♥ | 289 | −3 | 306 | 215 | 1,637 | 5.4 | – |
| SA Brews | | £13$\frac{1}{4}$ | $-\frac{1}{4}$ | £15$\frac{1}{2}$ | £7$\frac{13}{16}$ | 7,059 | 2.1 | 21.6 |
| Tiger Oats | | 738 | ---- | 838 | 513 | 1,108 | 2.2 | 15.0 |
| Tongaat-Hulett | † | 435xd | ---- | 472 | 212 | 325.8 | 3.4 | 12.1 |

## GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- φ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below
- ⁂ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- ‖ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.



## FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣ . Ring 081 770 0770 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT2264. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

## FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

# FT MANAGED FUNDS SERVICE

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# AUTHORISED UNIT TRUSTS

**Perpetual Unit Tst Mngmt (1800)F**
48 Hart Street, Henley on Thames 0491 417000

| | Init Chrg | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| International Gwth | 5¼ | 615.76 | 618.91 | 658.80 | +7.80 | 0.20 |
| Income | 5¼ | 378.72 | 378.07 | 403.43 | +7.28 | 2.58 |
| W'wide Recovery | 5¼ | 385.49 | 388.87 | 413.58 | +5.21 | 0.30 |
| American Growth Inc | 5¼ | 234.94 | 236.47 | 251.85 | +1.28 | 0.01 |
| American Growth Acc | 5¼ | 234.94 | 235.47 | 251.85 | +1.28 | 0.01 |
| Intl Emerging Cos | 5¼ | 258.39 | 261.78 | 278.58 | +3.13 | 0.09 |
| Far Eastern Growth Inc | 5¼ | 305.36 | 309.27 | 330.78 | +3.68 | 0.01 |
| Far Eastern Growth Acc | 5¼ | 305.36 | 309.27 | 330.78 | +3.68 | 0.01 |
| European Gwth Inc | 5¼ | 141.28 | 142.40 | 152.30 | +1.57 | 0.57 |
| European Gwth Acc | 5¼ | 141.28 | 142.40 | 152.30 | +1.57 | 0.57 |
| UK Growth Inc | 5¼ | 95.78 | 95.97 | 102.65 | +1.92 | 2.24 |
| UK Growth Acc | 5¼ | 95.78 | 95.97 | 102.65 | +1.92 | 2.24 |
| High Income | 5¼ | 103.21 | 103.40 | 110.59 | +1.79 | 3.72 |
| Japanese Gwth Inc | 5¼ | 215.71 | 218.71 | 229.57 | +3.44 | 0.01 |
| Japanese Gwth Acc | 5¼ | 215.71 | 218.71 | 229.57 | +3.44 | 0.01 |
| PEP Growth | 5¼ | 121.52 | 123.89 | 132.51 | +1.89 | 1.09 |
| Asian Smllr Mkts Inc | 5¼ | 147.40 | 150.14 | 160.58 | +1.28 | 0.01 |
| Asian Smllr Mkts Acc | 5¼ | 147.40 | 150.14 | 160.58 | +1.28 | 0.01 |
| American Smaller Cos Inc | 5¼ | 140.37 | 141.77 | 151.63 | +0.98 | 0.01 |
| American Smaller Cos Acc | 5¼ | 140.37 | 141.77 | 151.63 | +0.98 | 0.01 |
| Global Bond | 5¼ | 88.58 | 85.58 | 88.10 | +0.65 | 5.14 |
| UK Smaller Cos Inc | 5¼ | 81.33 | 83.39 | 89.15 | +1.45 | 0.98 |
| UK Smaller Cos Acc | 5¼ | 83.48 | 85.56 | 91.61 | +1.49 | 0.98 |

## Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

**INITIAL CHARGE:** Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

**OFFER PRICE:** Also called issue price. The price at which units are bought by investors.

**BID PRICE:** Also called redemption price. The price at which units are sold back by investors.

**CANCELLATION PRICE:** The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

**TIME:** The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

**HISTORIC PRICING:** The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

**FORWARD PRICING:** The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

**SCHEME PARTICULARS AND REPORTS:** The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

# FT MANAGED FUNDS SERVICE

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**TSB Unit Trusts (1200)F**
Charlton Pl, Andover, Hants. SP10 1RE 0264 346794

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| TSB American | 6 | 230.27 | 230.27 | 244.97 | +0.32 | - |
| Do Accum | 6 | 251.83 | 251.83 | 259.82 | +0.57 | - |
| TSB Brit Growth | 6 | 103.01 | 104.14 | 110.79 | +1.39 | 1.53 |
| Do Accum | 6 | 171.96 | 173.32 | 131.19 | +2.35 | 1.53 |
| TSB European | 6 | 109.08 | 109.08 | 116.05 | +2.48 | 0.23 |
| Do Accum | 6 | 115.83 | 115.89 | 123.30 | +2.84 | 0.23 |
| TSB Extra Income | 6 | 224.88 | 227.82 | 242.38 | +5.38 | 3.34 |
| Do Accum | 6 | 367.37 | 372.48 | 396.26 | +8.88 | 3.34 |
| TSB Smaller Cos | 6 | 77.62 | 77.62 | 82.57 | +2.11 | 0.92 |
| Do Accum | 6 | 86.29 | 86.29 | 91.80 | +2.47 | 0.92 |
| TSB General | 6 | 314.88 | 318.85 | 339.20 | +6.84 | 1.98 |
| Do Accum | 6 | 604.28 | 642.33 | 683.33 | +13.38 | 1.98 |
| TSB Premier Income | 5 | 57.20 | 58.23 | 60.65 | +0.54 | 5.58 |
| Do Accum | 6 | 122.61 | 124.81 | 130.01 | +1.16 | 5.53 |
| TSB Income | 6 | 387.75 | 392.61 | 417.88 | +9.08 | 2.98 |
| Do Accum | 6 | 821.16 | 831.49 | 884.56 | +18.25 | 2.98 |
| TSB Pacific | 6 | 442.01 | 442.01 | 470.23 | +4.70 | - |
| Do Accum | 6 | 464.45 | 464.45 | 494.00 | +5.03 | - |
| TSB International | 6 | 673.26 | 673.26 | 699.86 | +7.17 | 0.07 |
| Do Accum | 6 | 752.17 | 752.17 | 800.40 | +8.41 | 0.07 |
| TSB Nat Resources | 6 | 194.89 | 194.89 | 199.70 | -2.31 | - |
| Do Accum | 6 | 202.82 | 202.82 | 215.87 | -2.63 | - |
| TSB Spcld Opps | 6 | 118.97 | 120.12 | 128.43 | +3.00 | 0.95 |
| Do Accum | 6 | 150.13 | 152.33 | 162.06 | +3.53 | 0.95 |
| Environmental Inv | 6 | 68.41 | 69.01 | 73.42 | +2.36 | 1.33 |
| Do Accum | 6 | 73.88 | 74.54 | 79.30 | +3.83 | 1.33 |
| TSB Selector | 6 | 69.39 | 70.41 | 74.91 | +1.50 | 1.88 |
| Do Accum | 6 | 77.11 | 78.25 | 83.24 | +1.76 | 1.88 |
| TSB High Income | 6 | 73.23 | 74.06 | 78.78 | +1.38 | 3.85 |
| Do Accum | 6 | 89.11 | 89.10 | 95.86 | +1.43 | 3.85 |
| TSB Intl Income | 6 | 64.15 | 64.86 | 68.60 | +0.48 | 4.54 |
| Do Accum | 6 | 75.04 | 76.12 | 80.98 | +0.86 | 4.54 |
| TSB Selector Income | 6 | 68.82 | 69.52 | 73.95 | +1.12 | 4.50 |
| Do Accum | 6 | 78.21 | 79.00 | 84.04 | +1.27 | 4.50 |

**T.U. Fund Managers Limited (1200)H**
MLA Tower, Addiscombe Road, Croydon 081-686 4355

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| T.U. Britain | 5 | 363.7 | 368.6 | 388.2 | +7.8 | 2.38 |
| T.U. European | | 50.20 | 50.42 | 52.79 | +0.82 | 2.00 |

**Templeton Unit Trust Managers Ltd (1200)F**
Atholl Crescent, Edinburgh EH3 8HA 031-228 3932

| | Init Chrge | Canc Price | Bid Price | Offer Price | + or - | Yield Gr's |
|---|---|---|---|---|---|---|
| Global Growth Acc | 6 | 227.84 | 227.47 | 243.28 | +3.65 | 1.71 |
| Global Growth Inc | 6 | 205.83 | 206.34 | 220.88 | +3.31 | 1.71 |

# INSURANCES

**AXA Equity & Law Life Assce**
Amersham Road, High Wycombe 0494 463463

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| UK Equities Ser 5 | 1012.1 | 1065.3 | +15.8 | - |
| Higher Income Ser 5 | 1104.9 | 1163.0 | +21.8 | - |
| Property Ser 5 | 524.9 | 551.8 | - | - |
| Fixed Interest Ser 5 | 426.8 | 449.3 | +3.7 | - |
| Index Linked Secs Ser 5 | 180.1 | 189.0 | +1.9 | - |
| Gtd Deposit Ser 5 | 288.8 | 304.0 | - | - |
| Nth America Ser 5 | 437.2 | 460.2 | -0.5 | - |
| Far East Ser 5 | 856.2 | 898.3 | +8.5 | - |
| Europe Ser 5 | 361.7 | 380.7 | +5.1 | - |
| International Ser 5 | 553.8 | 582.9 | +4.8 | - |
| Balanced Ser 5 | 722.8 | 760.8 | +8.3 | - |
| Reserve Ser 5 | 150.0 | 157.8 | +0.6 | - |
| Opportunity Ser 5 | 164.5 | 173.1 | +1.8 | - |
| Distribution Ser 5 | 111.0 | 116.8 | +1.1 | - |
| Pens Equity Ser 3 (z) | 1406.9 | 1480.9 | +2.8 | - |
| Pens Higher Inc S 3 (z) | 342.7 | 360.7 | +1.6 | - |
| Pens Fixed Int S 3 (z) | 573.3 | 603.4 | +0.7 | - |
| Pens Index-Linked Sec S 3 (z) | 244.3 | 257.1 | +1.0 | - |
| Pens Property S 3 (z) | 486.7 | 512.3 | - | - |
| Pens N America S 3 (z) | 192.4 | 202.5 | -0.5 | - |
| Pens Far East S 3 (z) | 323.4 | 340.4 | +1.8 | - |
| Pens Europe S 3 (z) | 200.4 | 210.8 | -7.1 | - |
| Pens Overseas S 3 (z) | 830.7 | 874.4 | -1.2 | - |
| Pens Balanced S 3 (z) | 823.1 | 866.4 | +0.6 | - |
| Pens Cash S 3 (z) | 419.5 | 441.5 | - | - |
| Pens DAF Series 3 (z) | 234.7 | 247.0 | - | - |
| Pens DAF Series 1 (z) | 465.3 | 489.7 | - | - |
| Pens Opportunity S 3 (z) | 178.0 | 187.3 | -0.1 | - |
| Pens Reserve S 3 (z) | 172.7 | 181.7 | +0.1 | - |

**Abbey Life Assurance Co Ltd**
80 Holdenhurst Road, Bournemouth 0202 292373

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| Prop. Ser. 1 | 267.2 | 281.3 | +0.2 | - |
| Equity Ser. 1 | 186.0 | 194.8 | +2.1 | - |
| Prop. Acc. Ser 2 | 488.0 | 513.7 | +0.4 | - |

[illegible]

# FT MANAGED FUNDS SERVICE

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## Royal Heritage Life Assurance Ltd - Contd.

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| European Smaller | 190.2 | 200.3 | +2.8 | - |
| Sth & East Asia Gwth | 384.5 | 404.8 | +3.2 | - |
| Inc Growth | 342.4 | 360.5 | +6.3 | - |
| Japan Smlr Cos | 251.1 | 264.4 | +2.9 | - |
| Man Growth | 269.8 | 284.0 | +3.8 | - |
| Gilt | 89.1 | 93.8 | +0.5 | - |
| **Perpetual Funds** | | | | |
| International Growth | 179.2 | 188.7 | +2.2 | - |
| American Growth | 227.2 | 239.2 | +1.2 | - |
| Intl Emerging Cos | 271.2 | 285.5 | +2.8 | - |
| European | 205.0 | 215.8 | +2.2 | - |
| Managed | 209.8 | 220.7 | +2.4 | - |

## Royal Life Insurance Ltd

New Hall Place, Liverpool L69 3HS 051-239 3000

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| Royal Shield Fd | 991.5 | 1049.2 | — | - |
| **Royal Life (Unit Linked Assurances) Ltd** | | | | |
| Managed Fund | 395.3 | 416.1 | +3.8 | - |
| Equity Fund | 569.8 | 599.7 | +6.5 | - |
| Property Fund | 306.3 | 322.4 | — | - |
| International Fund | 490.5 | 516.3 | +4.7 | - |
| Gilt Fund | 382.5 | 402.6 | +2.0 | - |
| Money Fund | 216.6 | 227.9 | — | - |
| United States Fund | 257.7 | 271.2 | -0.2 | - |
| Pacific Basin | 305.9 | 322.0 | +2.9 | - |
| **Royal Life (Unit Lnkd. Pension Fds) Ltd** | | | | |
| Exempt Man Fd Acc | 489.1 | 514.8 | +5.6 | - |
| Exempt Equity Fd Acc | 871.5 | 917.3 | +10.5 | - |
| Exempt Prop Fd Acc | 315.2 | 331.7 | — | - |
| Exempt Intl Fd Acc | 799.9 | 841.9 | +9.1 | - |
| Exempt Gilt Fd Acc | 457.9 | 481.9 | +4.5 | - |
| Exempt Money Fd Acc | 296.9 | 312.5 | — | - |

## Royal Liver Assurance

Royal Liver Building, Liverpool, L3 1HT. 051-236 1451

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| UK Equity | 83.1 | 87.5 | +1.6 | - |
| Global Equity | 61.0 | 64.2 | -0.2 | - |
| High Yield | 81.0 | 85.3 | +1.2 | - |
| Intl Equity | 86.7 | 91.3 | — | - |
| Fixed Interest | 83.3 | 87.7 | +0.7 | - |
| Money | 76.0 | 80.0 | +0.1 | - |
| Managed | 84.1 | 88.5 | +1.0 | - |
| **Pensions** | | | | |
| UK Equity | 91.0 | 95.8 | +2.0 | - |
| Global Equity | 65.0 | 68.4 | -0.2 | - |
| High Yield | 95.0 | 100.0 | +1.3 | - |
| Intl Equity | 96.9 | 102.0 | — | - |
| Fixed Interest | 100.3 | 105.6 | +0.9 | - |
| Money | 94.0 | 98.9 | +0.1 | - |
| Managed | 95.0 | 100.0 | +1.3 | - |
| **Tax Exempt** | | | | |
| Tax Exempt Mgd | 71.3 | 75.1 | +0.6 | - |

## Scottish Widows' Group

PO Box 902, Edinburgh EH16 5BU 031-655 6000

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| Inv Pol 1 Jan 14 | 893.0 | 893.0 | — | - |
| Inv Pol 2 Jan 14 | 904.4 | 852.1 | — | - |
| Inv Pol 3 Jan 14 | 868.2 | 914.0 | — | - |
| Inv Pol Cash Ser 2 Jan 14 | 305.0 | 321.2 | — | - |
| Inv Pol Cash Ser 3 Jan 14 | 301.2 | 317.1 | — | - |
| Mixed Fund | 477.3 | 502.5 | +5.1 | - |
| Equity Fund | 569.5 | 599.6 | +6.2 | - |
| Property Fund | 224.5 | 236.5 | +0.2 | - |
| International Fund | 505.0 | 531.7 | +5.4 | - |
| Fixed Int. Fund | 403.4 | 424.7 | +4.3 | - |
| Index Stk. Fd. | 212.1 | 223.4 | +2.1 | - |
| Cash Fd | 221.9 | 233.6 | — | - |
| Pens. Mixed Fd. Ord. | 644.3 | 678.3 | +8.9 | - |
| Pens. Equity Fd. Ord. | 777.2 | 818.2 | +12.8 | - |
| Pens. Prop. Fd. Ord. | 304.8 | 321.0 | +0.2 | - |
| Pens. Int. Fd. Ord. | 659.4 | 694.3 | +8.2 | - |
| Pens.Fxd.Int.Fd.Ord. | 603.6 | 635.7 | +5.7 | - |
| Pens.Ind.Stk.Fd.Ord. | 269.1 | 283.3 | +2.5 | - |
| Pen. Cash Fd. Ord. | 338.9 | 356.8 | — | - |
| Building Society | 097.5 | 102.6 | — | - |
| PM Man | 3148.1 | 3148.1 | +105.4 | - |
| PM St Ex | 3344.9 | 3344.9 | +106.0 | - |
| PM St Ex Eq | 143.6 | 143.6 | +4.6 | - |
| PM St Ex Fl | 152.9 | 152.9 | +2.2 | - |
| PM Property | 280.0 | 280.0 | +0.1 | - |
| PM Pens Protection | 214.2 | 214.2 | +1.0 | - |
| PM R. Protection | 133.1 | 133.1 | +1.1 | - |
| PM Cash | 386.5 | 386.5 | +0.1 | - |

## Skandia Life Assurance Co Ltd (z)

Skandia Hse, Portland Terr, Southampton 0703 334411

Skandia Valuation Line 0800 191286

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| **Life Managed Funds** | | | | |
| Skandia Cautious | 147.9 | 155.6 | +0.4 | - |
| Skandia Balanced | 385.6 | 406.1 | +1.6 | - |
| Skandia Distribution | 119.6 | 125.8 | +1.4 | - |
| Skandia Ethical Selection | 124.4 | 130.9 | +0.9 | - |
| Skandia Deposit | 260.1 | 273.7 | +0.1 | - |
| Abtrust Managed | 133.9 | 140.9 | +0.1 | - |
| Baring Managed | 146.2 | 153.8 | +0.4 | - |
| CU Managed | 249.4 | 262.5 | +0.2 | - |
| Fidelity Managed | 211.8 | 222.9 | +1.3 | - |
| Fidelity Managed Inv Tst | 146.5 | 154.2 | +0.2 | - |
| F & C Investment Trust | 191.2 | 201.2 | +1.1 | - |
| Framlington Managed | 240.8 | 253.5 | +0.8 | - |
| Gartmore Managed | 271.3 | 285.6 | +0.4 | - |
| Henderson Managed | 271.5 | 285.7 | +0.8 | - |
| Hill Samuel Managed | 240.2 | 252.8 | +0.5 | - |
| Invesco Managed | 207.8 | 218.8 | +0.4 | - |
| James Capel Core Mngd | 143.3 | 150.8 | +0.3 | - |
| Kleinwort Benson Mngd | 143.3 | 150.8 | +0.8 | - |
| Martin Currie Mngd | 157.9 | 166.2 | +0.1 | - |
| Morgan Grenfell Mngd | 162.6 | 171.1 | +1.2 | - |

## OFFSHORE INSURANCES

## MANAGEMENT SERVICES

## OFFSHORE AND OVERSEAS

## BERMUDA (SIB RECOGNISED)

## CANADA (SIB RECOGNISED)

## GUERNSEY (SIB RECOGNISED)

## GUERNSEY (REGULATED)(**)

## IRELAND (SIB RECOGNISED)

## IRELAND (REGULATED)(**)

## ISLE OF MAN (REGULATED)(**)

## ISLE OF MAN (SIB RECOGNISED)

## JERSEY (SIB RECOGNISED)

## JERSEY (REGULATED)(**)

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## LUXEMBOURG (SIB RECOGNISED)

## LUXEMBOURG (REGULATED)(**)

## SWITZERLAND (SIB RECOGNISED)

## OTHER OFFSHORE FUNDS

### MANAGED FUNDS NOTES

# CURRENCIES AND MONEY

## MARKETS REPORT

# Sales data knock pound

Trading in currency markets was dominated yesterday by the pound which lost ground across the board. The release of weaker than expected economic figures prompted speculation about an early cut in interest rates, *writes Philip Gawith.*

The combination of subdued December retail sales figures and confirmation of a benign inflationary environment convinced the market that a rate cut had become more likely.

The interest rate expectations were reflected in other financial markets. In the futures market, after opening at 94.74, the March short sterling contract rose 11 basis points to trade at a high of 94.85 before falling back in late trading to 94.81.

● After closing on Tuesday at DM2.618, the pound fell below the DM2.60 level in early trading. Later it moved above DM2.6050, before falling back to close in London nearly one and three-quarter pfennigs lower on the day at DM2.6016.

Mr Peter Luxton of Barclays said sterling had been "trashed" on the back of the numbers and the easier inflationary background, bringing to an end the currency's rise against the D-Mark from DM2.54 in mid December to over DM2.62 last week. "The negative side of the pound is now coming much more to the fore," said Mr Luxton.

Although December's seasonally adjusted 0.2 per cent drop in retail sales was unexpected, the currency's pull-back was not a complete surprise, with analysts viewing sterling at DM2.62 as "frothy".

The pound also started weaker against the dollar slipping to $1.49 in morning trading after Tuesday's close of $1.4972. It ended the day at $1.4918.

The government warned, however, that the market should not link any future interest rate cut to sterling's strength alone. Mr Stephen Dorrell, Financial Secretary to the Treasury said: "We shall watch the exchange rate but we shall also watch a number of domestic indicators and we shall set interest rates in the light of all those indicators."

● Continued pessimism about the framework trade talks between the US and Japan put downward pressure on the dollar in early trading. U.S. Treasury Secretary Lloyd Bentsen was quoted as voicing deep concern about the lack of progress in the talks. The dollar weakened slightly against the yen in early London trading to Y110.50 from the overnight London close of Y110.750. However, after the release of better than anticipated trade data, the currency firmed to close in London at Y110.895.

Against the D-Mark the dollar traded in a narrow range all day, with investors unwilling to take big positions ahead of today's Bundesbank council meeting. The dollar ended the day slightly weaker at DM1.744, against Tuesday's London close of DM1.7487. In a Reuters poll, 64 per cent of analysts predicted the Bundesbank would not cut rates. The majority expects a cut next month.

● The Danish crown weakened against the D-Mark after Denmark's central bank lowered its discount and key deposit rates to 5.75 per cent from 6 per cent on Tuesday. It closed at DKr3.885 compared to Tuesday's close of Dkr3.877.

● The rouble continued its recent plunge following the departure from government of the reformist minister Mr Yegor Gaidar. The Russian unit fell yesterday on the St Petersburg Interbank Currency Exchange to 1,627 to the dollar from 1,527 on Tuesday, falling below Moscow's record low of 1,607 roubles to the dollar.

● The Bank of England yesterday announced its first regular sale and repurchase facility which will put £3.979bn of liquidity into the market, of which £3.842bn will be provided in the three-week repo expiring on February 10 and £137m in a five-week repo expiring on February 24. The interest rate of 5 13/32 per cent on the repos is the same rate currently offered on repos in the course of the Bank's daily money market operations.

The new arrangements replace a temporary facility in place since September 1992. The Bank introduced the arrangements to help relieve large money market shortages and reduce short-term interest rate volatility. The new facility showed evidence of success by raising nearly £0.5bn more than the temporary facility, which was about £3.5bn, and attracting more players.

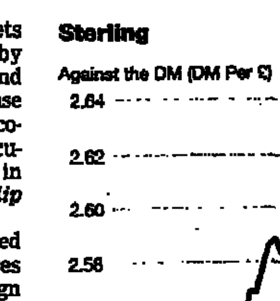
Money market sources said the sudden rush of rate cut speculation was the reason why the shorter-dated facility was larger than the longer facility. Investors did not want to lock into fixed rate funding at current levels when there was a chance they might fall soon.

The Bank has indicated that it plans to use the regular facility to "rough" tune the shortage while normal money market operations will be used for "fine" tuning purposes. Accordingly, the Bank is more likely to send interest rate signals to the market through its daily operations rather than through the regular facility. The larger the sums dealt with through the regular facility, the greater the Bank's scope for fine-tuning monetary policy through its daily activities.

Yesterday was a tight day in the UK money markets with overnight rates rising from 5⅞ per cent at the start of trading to over 7 per cent by noon with the Bank providing limited early assistance. The Bank provided the market with around £760m of late, unspecified assistance, bringing total help over the day to £1.137bn against a shortage of £1.3bn.

**Sterling**

Against the DM (DM Per £)




Source: FT Graphite

**■ Pound in New York**

| Jan 14 | —Latest— | — Prev. close — |
|---|---|---|
| £ spot | 1.4920 | 1.4960 |
| 1 mth | 1.4890 | 1.4929 |
| 3 mth | 1.4842 | 1.4881 |
| 1 yr | 1.4711 | 1.4745 |

## POUND SPOT FORWARD AGAINST THE POUND

| Jan 19 | | Closing mid-point | Change on day | Bid/offer spread | Day's Mid high | Day's Mid low | One month Rate | One month %PA | Three months Rate | Three months %PA | One year Rate | One year %PA | Bank of Eng. Index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | | | | | |
| Austria | (Sch) | 18.2859 | -0.1328 | 779 - 939 | 18.4254 | 18.2734 | 18.2897 | -0.2 | 18.299 | -0.3 | - | - | 113.3 |
| Belgium | (BFr) | 54.1729 | -0.2699 | 378 - 080 | 54.5536 | 54.1009 | 54.2579 | -1.9 | 54.4129 | -1.8 | 54.7479 | -1.1 | 112.6 |
| Denmark | (DKr) | 10.1111 | -0.0373 | 042 - 179 | 10.1631 | 10.1002 | 10.1211 | -1.2 | 10.1306 | -0.8 | 10.1361 | -0.2 | 114.7 |
| Finland | (FM) | 8.4524 | -0.0344 | 430 - 618 | 8.5089 | 8.4430 | - | - | - | - | - | - | 80.9 |
| France | (FFr) | 8.8409 | -0.041 | 365 - 452 | 8.8925 | 8.8233 | 8.8504 | -1.3 | 8.8627 | -1.0 | 8.8767 | -0.4 | 107.8 |
| Germany | (DM) | 2.6016 | -0.0164 | 006 - 025 | 2.6207 | 2.5991 | 2.6034 | -0.8 | 2.6051 | -0.5 | 2.6031 | -0.1 | 122.1 |
| Greece | (Dr) | 372.490 | -2.846 | 253 - 727 | 375.070 | 372.253 | - | - | - | - | - | - | - |
| Ireland | (I£) | 1.0418 | -0.003 | 401 - 435 | 1.0483 | 1.0401 | 1.0424 | -0.7 | 1.0433 | -0.6 | 1.0459 | -0.4 | 103.9 |
| Italy | (L) | 2536.35 | -9.18 | 501 - 769 | 2549.05 | 2532.49 | 2543.15 | -3.2 | 2554.75 | -2.9 | 2599.1 | -2.5 | 76.2 |
| Luxembourg | (LFr) | 54.1729 | -0.2699 | 378 - 080 | 54.5536 | 54.1009 | 54.2579 | -1.9 | 54.4129 | -1.8 | 54.6479 | -0.9 | 112.6 |
| Netherlands | (Fl) | 2.9148 | -0.0161 | 133 - 162 | 2.9306 | 2.9104 | 2.9149 | 0.0 | 2.9137 | 0.2 | 2.9038 | 0.4 | 117.9 |
| Norway | (NKr) | 11.1916 | -0.0601 | 874 - 957 | 11.2590 | 11.1832 | 11.2075 | -1.7 | 11.2064 | -0.5 | 11.1918 | 0.0 | 84.9 |
| Portugal | (Es) | 262.101 | -0.874 | 890 - 311 | 264.758 | 261.770 | 263.436 | -6.1 | 265.606 | -5.3 | - | - | - |
| Spain | (Pta) | 212.251 | -0.806 | 226 - 475 | 214.673 | 212.014 | 213.081 | -4.1 | 214.161 | -3.4 | 218.281 | -2.8 | 84.8 |
| Sweden | (SKr) | 12.0985 | -0.0187 | 882 - 088 | 12.1463 | 12.0579 | 12.124 | -2.5 | 12.152 | -1.8 | 12.2655 | -1.4 | 78.0 |
| Switzerland | (SFr) | 2.1773 | -0.0169 | 760 - 785 | 2.1900 | 2.1742 | 2.175 | 1.3 | 2.1703 | 1.3 | 2.1459 | 1.4 | 118.3 |
| UK | (£) | - | - | - | - | - | - | - | - | - | - | - | 82.3 |
| Ecu | - | 1.3414 | -0.0064 | 405 - 423 | 1.3487 | 1.3400 | 1.3429 | -1.3 | 1.3447 | -1.0 | 1.3478 | -0.5 | - |
| SDR† | - | 0.918429 | - | - | - | - | - | - | - | - | - | - | - |
| **Americas** | | | | | | | | | | | | | |
| Argentina | (Peso) | 1.4916 | -0.0046 | 911 - 920 | 1.5009 | 1.4896 | - | - | - | - | - | - | - |
| Brazil | (Cr) | 597.267 | +7.532 | 119 - 415 | 599.000 | 587.000 | - | - | - | - | - | - | - |
| Canada | (C$) | 1.9562 | -0.0138 | 554 - 570 | 1.9717 | 1.9526 | 1.9535 | 1.7 | 1.9486 | 1.6 | 1.9354 | 1.1 | 92.6 |
| Mexico | (New Peso) | 4.6319 | -0.0168 | 293 - 345 | 4.6605 | 4.6278 | - | - | - | - | - | - | - |
| USA | ($) | 1.4918 | -0.0054 | 914 - 921 | 1.5012 | 1.4897 | 1.4889 | 2.4 | 1.4839 | 2.1 | 1.4703 | 1.4 | 67.3 |
| **Pacific/Middle East/Africa** | | | | | | | | | | | | | |
| Australia | (A$) | 2.1349 | -0.0139 | 336 - 361 | 2.1490 | 2.1315 | 2.1334 | 0.8 | 2.1312 | 0.7 | 2.1312 | 0.2 | - |
| Hong Kong | (HK$) | 11.5246 | -0.0417 | 211 - 280 | 11.5960 | 11.5079 | 11.5041 | 2.1 | 11.4707 | 1.9 | 11.3793 | 1.3 | - |
| India | (Rs) | 46.7944 | -0.1731 | 778 - 109 | 47.0650 | 46.7360 | - | - | - | - | - | - | - |
| Japan | (Y) | 165.428 | -0.382 | 352 - 504 | 166.540 | 164.620 | 164.973 | 3.3 | 164.123 | 3.2 | 160.313 | 3.1 | 177.7 |
| Malaysia | (M$) | 4.0718 | -0.0155 | 693 - 742 | 4.0960 | 4.0691 | - | - | - | - | - | - | - |
| New Zealand | (NZ$) | 2.6457 | -0.0114 | 434 - 479 | 2.6561 | 2.6399 | 2.6479 | -1.0 | 2.6509 | -0.8 | 2.6527 | -0.3 | - |
| Philippines | (Peso) | 41.4707 | -0.1501 | 372 - 042 | 41.7042 | 41.2372 | - | - | - | - | - | - | - |
| Saudi Arabia | (SR) | 5.5934 | -0.0203 | 916 - 952 | 5.6286 | 5.5851 | - | - | - | - | - | - | - |
| Singapore | (S$) | 2.3973 | -0.0113 | 959 - 986 | 2.4139 | 2.3953 | - | - | - | - | - | - | - |
| S Africa (Com.) | (R) | 5.0884 | -0.0222 | 849 - 918 | 5.1197 | 5.0814 | - | - | - | - | - | - | - |
| S Africa (Fin.) | (R) | 6.5413 | +0.0287 | 323 - 503 | 6.6256 | 6.5107 | - | - | - | - | - | - | - |
| South Korea | (Won) | 1208.84 | -5.65 | 846 - 920 | 1216.42 | 1207.25 | - | - | - | - | - | - | - |
| Taiwan | (T$) | 39.4493 | -0.098 | 326 - 660 | 39.7100 | 39.4000 | - | - | - | - | - | - | - |
| Thailand | (Bt) | 38.0695 | -0.1902 | 456 - 933 | 38.2960 | 38.0320 | - | - | - | - | - | - | - |

†SDR rate for Jan 18. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

| Jan 19 | | Closing mid-point | Change on day | Bid/offer spread | Day's mid high | Day's mid low | One month Rate | One month %PA | Three months Rate | Three months %PA | One year Rate | One year %PA | Morgan G'ty index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | | | | | |
| Austria | (Sch) | 12.2580 | -0.0445 | 555 - 605 | 12.2840 | 12.2495 | 12.2845 | -2.6 | 12.3242 | -2.2 | 12.4295 | -1.4 | 102.6 |
| Belgium | (BFr) | 36.3150 | -0.0493 | 000 - 300 | 36.3750 | 36.2540 | 36.445 | -4.3 | 36.67 | -3.9 | 37.235 | -2.5 | 102.4 |
| Denmark | (DKr) | 6.7780 | -0.0005 | 750 - 810 | 6.7894 | 6.7619 | 6.7982 | -3.6 | 6.827 | -2.9 | 6.894 | -1.7 | 103.7 |
| Finland | (FM) | 5.6861 | -0.0025 | 611 - 711 | 5.6751 | 5.6528 | 5.6763 | -2.2 | 5.6866 | -1.4 | 5.7236 | -1.0 | 76.0 |
| France | (FFr) | 5.9265 | -0.006 | 250 - 280 | 5.9395 | 5.9165 | 5.9448 | -3.7 | 5.9725 | -3.1 | 6.0375 | -1.9 | 104.1 |
| Germany | (D) | 1.7440 | -0.0047 | 437 - 442 | 1.7481 | 1.7420 | 1.7487 | -3.2 | 1.7556 | -2.7 | 1.7712 | -1.6 | 103.6 |
| Greece | (Dr) | 249.700 | -1 | 600 - 800 | 250.200 | 249.650 | 253.25 | -17.1 | 260.05 | -16.6 | 292.2 | -17.0 | 71.8 |
| Ireland | (I£) | 1.4319 | -0.0012 | 299 - 339 | 1.4377 | 1.4254 | 1.4281 | 3.2 | 1.422 | 2.8 | 1.4054 | 1.9 | - |
| Italy | (L) | 1700.25 | - | 975 - 075 | 1702.50 | 1696.00 | 1708.15 | -5.6 | 1719.95 | -4.6 | 1761.3 | -3.6 | 76.9 |
| Luxembourg | (LFr) | 36.3150 | -0.0493 | 000 - 300 | 36.3750 | 36.2540 | 36.445 | -4.3 | 36.67 | -3.9 | 37.235 | -2.5 | 102.4 |
| Netherlands | (Fl) | 1.9539 | -0.0037 | 534 - 544 | 1.9576 | 1.9510 | 1.9578 | -2.4 | 1.9635 | -2.0 | 1.975 | -1.1 | 103.3 |
| Norway | (NKr) | 7.5023 | -0.0131 | 013 - 033 | 7.5280 | 7.4925 | 7.5163 | -2.2 | 7.54 | -2.0 | 7.5993 | -1.3 | 94.9 |
| Portugal | (Es) | 175.700 | +0.05 | 600 - 800 | 176.600 | 175.300 | 176.9 | -8.2 | 178.97 | -7.4 | 186.55 | -6.2 | 94.5 |
| Spain | (Pta) | 142.350 | -0.025 | 300 - 400 | 143.230 | 142.050 | 143.125 | -6.5 | 144.32 | -5.5 | 148.455 | -4.3 | 80.1 |
| Sweden | (SKr) | 8.1103 | +0.0168 | 053 - 153 | 8.1167 | 8.0633 | 8.1438 | -5.0 | 8.1893 | -3.9 | 8.3423 | -2.9 | 81.6 |
| Switzerland | (SFr) | 1.4595 | -0.0074 | 590 - 600 | 1.4642 | 1.4570 | 1.4608 | -1.1 | 1.4625 | -0.8 | 1.4595 | 0.0 | 104.7 |
| UK | (£) | 1.4918 | -0.0054 | 914 - 921 | 1.5012 | 1.4897 | 1.4888 | 2.4 | 1.4839 | 2.1 | 1.4703 | 1.4 | 91.8 |
| Ecu | - | 1.1121 | +0.0013 | 116 - 126 | 1.1136 | 1.1107 | 1.1097 | 3.7 | 1.1035 | 3.1 | 1.0909 | 1.9 | - |
| SDR† | - | 1.37351 | - | - | - | - | - | - | - | - | - | - | - |
| **Americas** | | | | | | | | | | | | | |
| Argentina | (Peso) | 0.9999 | +0.0005 | 998 - 999 | 0.9999 | 0.9998 | - | - | - | - | - | - | - |
| Brazil | (Cr) | 400.380 | +6.475 | 375 - 385 | 400.390 | 400.375 | - | - | - | - | - | - | - |
| Canada | (C$) | 1.3114 | -0.0044 | 111 - 118 | 1.3145 | 1.3085 | 1.3122 | -0.7 | 1.3132 | -0.5 | 1.3164 | -0.4 | 88.5 |
| Mexico | (New Peso) | 3.1050 | - | 040 - 060 | 3.1060 | 3.1050 | 3.1067 | -0.7 | 3.1108 | -0.7 | 3.125 | -0.6 | - |
| USA | ($) | - | - | - | - | - | - | - | - | - | - | - | 102.4 |
| **Pacific/Middle East/Africa** | | | | | | | | | | | | | |
| Australia | (A$) | 1.4311 | -0.0042 | 306 - 316 | 1.4368 | 1.4267 | 1.4321 | -0.9 | 1.4353 | -1.2 | 1.4428 | -0.8 | 87.4 |
| Hong Kong | (HK$) | 7.7255 | - | 250 - 260 | 7.7260 | 7.7243 | 7.727 | -0.2 | 7.7295 | -0.2 | 7.7405 | -0.2 | - |
| India | (Rs) | 31.3688 | -0.0025 | 650 - 725 | 31.3725 | 31.3650 | 31.4488 | -3.1 | 31.6538 | -3.6 | - | - | - |
| Japan | (Y) | 110.895 | +0.145 | 870 - 920 | 111.050 | 110.300 | 110.81 | 0.9 | 110.6 | 1.1 | 109.03 | 1.7 | 140.0 |
| Malaysia | (M$) | 2.7295 | -0.0005 | 285 - 305 | 2.7315 | 2.7230 | 2.7265 | 1.3 | 2.725 | 0.7 | 2.7445 | -0.5 | - |
| New Zealand | (NZ$) | 1.7735 | -0.0013 | 724 - 746 | 1.7746 | 1.7693 | 1.7748 | -0.9 | 1.7787 | -1.2 | 1.7893 | -0.9 | - |
| Philippines | (Peso) | 27.8000 | - | 500 - 500 | 27.9500 | 27.5000 | - | - | - | - | - | - | - |
| Saudi Arabia | (SR) | 3.7496 | - | 492 - 499 | 3.7499 | 3.7494 | 3.7541 | -1.4 | 3.7671 | -1.9 | 3.7784 | -0.7 | - |
| Singapore | (S$) | 1.6070 | -0.0018 | 065 - 075 | 1.6090 | 1.6065 | 1.6057 | 1.0 | 1.6034 | 0.9 | 1.617 | -0.6 | - |
| S Africa (Com.) | (R) | 3.4110 | -0.0026 | 095 - 125 | 3.4145 | 3.4015 | 3.4283 | -6.1 | 3.4572 | -5.4 | 3.5595 | -4.4 | - |
| S Africa (Fin.) | (R) | 4.3850 | +0.035 | 800 - 900 | 4.4200 | 4.3700 | 4.412 | -7.4 | 4.465 | -7.3 | - | - | - |
| South Korea | (Won) | 810.350 | -0.85 | 300 - 400 | 811.600 | 810.300 | 813.35 | -4.4 | 816.85 | -3.2 | 835.35 | -3.1 | - |
| Taiwan | (T$) | 26.4450 | +0.03 | 400 - 500 | 26.4500 | 26.4200 | 26.5039 | -2.7 | 26.625 | -2.7 | - | - | - |
| Thailand | (Bt) | 25.5200 | -0.035 | 100 - 300 | 25.5300 | 25.5100 | 25.56 | -1.9 | 25.615 | -1.5 | 25.84 | -1.3 | - |

†SDR rate for Jan 18. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Jan 18. Base average 1990=100

## CROSS RATES AND DERIVATIVES

### EXCHANGE CROSS RATES

| Jan 19 | | BFr | DKr | FFr | DM | I£ | L | Fl | NKr | Es | Pta | SKr | SFr | £ | C$ | $ | Y | Ecu |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Belgium | (BFr) | 100 | 18.66 | 16.32 | 4.803 | 1.924 | 4682 | 5.381 | 20.66 | 483.8 | 392.1 | 22.32 | 4.019 | 1.846 | 3.611 | 2.754 | 305.3 | 2.476 |
| Denmark | (DKr) | 53.58 | 10 | 8.745 | 2.574 | 1.031 | 2508 | 2.883 | 11.07 | 259.2 | 210.1 | 11.96 | 2.153 | 0.989 | 1.935 | 1.476 | 163.6 | 1.326 |
| France | (FFr) | 61.27 | 11.44 | 10 | 2.943 | 1.179 | 2868 | 3.297 | 12.66 | 296.5 | 240.2 | 13.67 | 2.462 | 1.131 | 2.212 | 1.688 | 187.1 | 1.517 |
| Germany | (DM) | 20.82 | 3.885 | 3.398 | 1 | 0.400 | 974.6 | 1.120 | 4.301 | 100.7 | 81.63 | 4.646 | 0.837 | 0.384 | 0.752 | 0.573 | 63.57 | 0.515 |
| Ireland | (I£) | 51.99 | 9.702 | 8.485 | 2.497 | 1 | 2434 | 2.798 | 10.74 | 251.5 | 203.8 | 11.60 | 2.089 | 0.960 | 1.877 | 1.432 | 158.7 | 1.287 |
| Italy | (L) | 2.136 | 0.399 | 0.349 | 0.103 | 0.041 | 100. | 0.115 | 0.441 | 10.34 | 8.375 | 0.477 | 0.086 | 0.039 | 0.077 | 0.059 | 6.522 | 0.053 |
| Netherlands | (Fl) | 18.58 | 3.468 | 3.033 | 0.893 | 0.357 | 870.0 | 1 | 3.839 | 89.91 | 72.86 | 4.148 | 0.747 | 0.343 | 0.671 | 0.512 | 56.74 | 0.460 |
| Norway | (NKr) | 48.41 | 9.035 | 7.901 | 2.325 | 0.931 | 2268 | 2.605 | 10 | 234.2 | 189.8 | 10.80 | 1.945 | 0.894 | 1.748 | 1.333 | 147.8 | 1.198 |
| Portugal | (Es) | 20.67 | 3.857 | 3.373 | 0.993 | 0.398 | 967.6 | 1.112 | 4.269 | 100. | 81.04 | 4.613 | 0.831 | 0.382 | 0.746 | 0.569 | 63.11 | 0.512 |
| Spain | (Pta) | 25.50 | 4.760 | 4.162 | 1.225 | 0.491 | 1194 | 1.372 | 5.268 | 123.4 | 100. | 5.692 | 1.025 | 0.471 | 0.921 | 0.702 | 77.87 | 0.631 |
| Sweden | (SKr) | 44.81 | 8.362 | 7.313 | 2.152 | 0.862 | 2098 | 2.411 | 9.256 | 216.8 | 175.7 | 10 | 1.801 | 0.827 | 1.618 | 1.234 | 136.8 | 1.109 |
| Switzerland | (SFr) | 24.88 | 4.644 | 4.061 | 1.195 | 0.479 | 1165 | 1.339 | 5.140 | 120.4 | 97.57 | 5.554 | 1 | 0.459 | 0.898 | 0.685 | 75.96 | 0.616 |
| UK | (£) | 54.17 | 10.11 | 8.841 | 2.602 | 1.042 | 2536 | 2.915 | 11.19 | 262.1 | 212.4 | 12.09 | 2.177 | 1 | 1.956 | 1.492 | 165.4 | 1.341 |
| Canada | (C$) | 27.69 | 5.169 | 4.520 | 1.330 | 0.533 | 1297 | 1.490 | 5.721 | 134.0 | 108.6 | 6.181 | 1.113 | 0.511 | 1 | 0.763 | 84.50 | 0.686 |
| US | ($) | 36.31 | 6.776 | 5.926 | 1.744 | 0.698 | 1700 | 1.954 | 7.500 | 175.7 | 142.4 | 8.103 | 1.459 | 0.670 | 1.311 | 1 | 110.9 | 0.899 |
| Japan | (Y) | 327.5 | 61.12 | 53.45 | 15.73 | 6.300 | 15333 | 17.62 | 67.65 | 1585 | 1284 | 73.10 | 13.16 | 6.046 | 11.83 | 9.021 | 1000. | 8.108 |
| Ecu | | 40.40 | 7.539 | 6.593 | 1.940 | 0.777 | 1891 | 2.174 | 8.345 | 195.5 | 158.4 | 9.016 | 1.623 | 0.746 | 1.459 | 1.113 | 123.3 | 1 |

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

**■ D-MARK FUTURES** (IMM) DM 125,000 per DM

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.5704 | 0.5709 | +0.0006 | 0.5713 | 0.5696 | 34,650 | 144,380 |
| Jun | - | 0.5677 | - | 0.5677 | 0.5670 | 127 | 7,123 |
| Sep | - | 0.5651 | +0.0030 | - | - | 7 | 260 |

**■ JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.9040 | 0.9050 | +0.0004 | +0.9075 | +0.9019 | 17,119 | 99,816 |
| Jun | 0.9097 | 0.9082 | +0.0002 | +0.9103 | +0.9075 | 423 | 6,388 |
| Sep | 0.9130 | 0.9125 | +0.0005 | +0.9135 | +0.9125 | 13 | 357 |

**■ SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 0.6828 | 0.6837 | +0.0005 | +0.6850 | 0.6820 | 25,707 | 37,355 |
| Jun | 0.6835 | 0.6835 | -0.0005 | +0.6840 | 0.6813 | 51 | 523 |
| Sep | - | 0.6832 | +0.0076 | - | - | 7 | 28 |

**■ STERLING FUTURES** (IMM) £62,500 per £

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 1.4906 | 1.4884 | -0.0028 | 1.4960 | 1.4860 | 8,388 | 42,459 |
| Jun | 1.4800 | 1.4824 | -0.0010 | 1.4836 | 1.4800 | 6 | 1,033 |
| Sep | - | 1.4770 | - | 1.4820 | 1.4770 | 1 | 11 |
| Dec | - | 1.4730 | - | - | 1.4730 | 7 | 10 |

### EMS EUROPEAN CURRENCY UNIT RATES

| Jan 19 | Ecu cen. rates | Rate against Ecu | Change on day | % +/- from cen. rate | % spread v weakest | Div. ind. |
|---|---|---|---|---|---|---|
| Ireland | 0.808628 | 0.777884 | +0.001367 | -3.80 | 6.59 | 26 |
| Netherlands | 2.19672 | 2.17659 | -0.00142 | -0.92 | 3.49 | - |
| Germany | 1.94964 | 1.94314 | -0.0026 | -0.33 | 2.88 | - |
| Belgium | 40.2123 | 40.4381 | -0.0033 | 0.56 | 1.97 | -4 |
| France | 6.53883 | 6.59867 | +0.00037 | 0.92 | 1.61 | -8 |
| Portugal | 192.854 | 195.617 | +0.144 | 1.43 | 1.09 | -10 |
| Denmark | 7.43679 | 7.54381 | +0.00289 | 1.44 | 1.09 | -10 |
| Spain | 154.250 | 158.168 | -0.578 | 2.54 | 0.00 | -18 |
| NON ERM MEMBERS | | | | | | |
| Greece | 264.513 | 278.219 | -0.469 | 5.18 | -2.51 | - |
| Italy | 1793.19 | 1892.29 | +4.44 | 5.53 | -2.83 | - |
| UK | 0.786749 | 0.745384 | +0.002732 | -5.26 | 8.23 | - |

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

**■ PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

| Strike Price | CALLS Feb | CALLS Mar | CALLS Apr | PUTS Feb | PUTS Mar | PUTS Apr |
|---|---|---|---|---|---|---|
| 1.400 | 8.90 | 8.75 | 8.79 | - | 0.08 | 0.38 |
| 1.425 | 6.48 | 6.51 | 6.76 | 0.13 | 0.26 | 0.77 |
| 1.450 | 4.13 | 4.44 | 4.91 | 0.61 | 0.69 | 1.41 |
| 1.500 | 2.22 | 2.73 | 3.37 | 1.75 | 1.46 | 2.34 |
| 1.600 | 0.87 | 1.52 | 2.23 | 3.52 | 2.65 | 3.58 |
| 1.625 | 0.24 | 0.74 | 1.37 | 5.80 | 4.35 | 5.21 |

Previous day's vol., Calls 13,767 Puts 16,089. Prev. day's open int., Calls 563,868 Puts 486,448

## WORLD INTEREST RATES

### MONEY RATES

| January 19 | Over night | One month | Three mths | Six mths | One year | Lomb. Inter. | Dis. rate | Repo rate |
|---|---|---|---|---|---|---|---|---|
| Belgium | 7⅜ | 7¼ | 7⅛ | 6⅝ | 6⅜ | 7.40 | 5.25 | - |
| week ago | 7⅜ | 7¼ | 7 | 6¾ | 6¼ | 7.40 | 5.25 | - |
| France | 6½ | 6½ | 6⅜ | 6 | 5⅜ | 6.20 | - | 7.75 |
| week ago | 6½ | 6½ | 6⅜ | 6 | 5½ | 6.20 | - | 7.75 |
| Germany | 6.05 | 6.05 | 5.80 | 5.60 | 5.30 | 6.75 | 5.75 | 6.00 |
| week ago | 6.02 | 6.05 | 5.80 | 5.55 | 5.20 | 6.75 | 5.75 | 6.00 |
| Ireland | 5⅞ | 5⅞ | 5⅞ | 5⅞ | 5⅝ | - | - | 6.75 |
| week ago | 6⅛ | 5⅞ | 6¼ | 5¾ | 5⅝ | - | - | 6.75 |
| Italy | 9⅛ | 8¾ | 8⅜ | 8⅜ | 7⅝ | - | 8.00 | 8.92 |
| week ago | 9⅜ | 8⅝ | 8¼ | 8¼ | 8 | - | 8.00 | 8.92 |
| Netherlands | 5.56 | 5.40 | 5.19 | 5.00 | 4.81 | - | 5.25 | - |
| week ago | 5.56 | 5.40 | 5.20 | 5.01 | 4.81 | - | 5.25 | - |
| Switzerland | 4⅝ | 4½ | 4¼ | 3⅞ | 3⅞ | 6.625 | 4.00 | - |
| week ago | 4⅛ | 4¼ | 4 | 3⅝ | 3⅞ | 6.625 | 4.25 | - |
| US | 3⅛ | 3¼ | 3⅜ | 3⅜ | 3⅝ | - | 3.00 | - |
| week ago | 2⅞ | 3¼ | 3¼ | 3⅜ | 3⅜ | - | 3.00 | - |
| Japan | 2⅛ | 2¼ | 2⅛ | 2 | 1⅞ | - | 1.75 | - |
| week ago | 2⅛ | 2¼ | 2¼ | 1⅞ | 1⅞ | - | 1.75 | - |
| **■ $ LIBOR FT London** | | | | | | | | |
| Interbank Fixing | - | 3⅛ | 3¼ | 3⅜ | 3¾ | - | - | - |
| week ago | - | 3⅛ | 3¼ | 3⅜ | 3⅞ | - | - | - |
| US Dollar CDs | - | 2.97 | 3.07 | 3.20 | 3.52 | - | - | - |
| week ago | - | 2.97 | 3.01 | 3.14 | 3.44 | - | - | - |
| SDR Linked Ds | - | 3⅛ | 3⅜ | 3⅜ | 3⅞ | - | - | - |
| week ago | - | 3⅞ | 3⅞ | 3½ | 3⅞ | - | - | - |

3 Month US Treasury Bill Yield. 3.03 Prime Rate 6pc $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

### EURO CURRENCY INTEREST RATES

| Jan 19 | Short term | 7 days notice | One month | Three months | Six months | One year |
|---|---|---|---|---|---|---|
| Belgian Franc | 7¼ - 7⅛ | 7¼ - 7⅛ | 7¼ - 7⅛ | 7 3/16 - 7 1/16 | 6 13/16 - 6 11/16 | 6⅜ - 6¼ |
| Danish Krone | 7¼ - 7 | 6¾ - 6½ | 6⅞ - 6⅝ | 6½ - 6 | 5⅞ - 5⅝ | 5⅝ - 5⅜ |
| D-Mark | 6⅛ - 6 | 6 3/16 - 6 1/16 | 6⅛ - 6 | 5⅞ - 5¾ | 5⅝ - 5½ | 5 5/16 - 5 3/16 |
| Dutch Guilder | 4⅞ - 4⅝ | 5⅜ - 5¼ | 5⅜ - 5¼ | 5 5/16 - 5 3/16 | 5 - 4⅞ | 4 13/16 - 4 11/16 |
| French Franc | 6⅝ - 6½ | 6⅝ - 6½ | 6 7/16 - 6 5/16 | 6 5/16 - 6 3/16 | 6 - 5⅞ | 5⅝ - 5½ |
| Portuguese Esc. | 11 - 10¾ | 11 - 10½ | 11 - 10¾ | 10 13/16 - 10 9/16 | 10⅞ - 10½ | 10½ - 10 |
| Spanish Peseta | 9⅛ - 9 | 9 3/16 - 9⅛ | 9⅛ - 9⅛ | 8⅞ - 8⅝ | 8 7/16 - 8⅜ | 8⅛ - 8 |
| Sterling | 6¼ - 5½ | 5⅜ - 6 3/16 | 5⅝ - 5 5/16 | 5⅜ - 5¼ | 5¼ - 5⅛ | 5¼ - 5⅛ |
| Swiss Franc | 4⅛ - 4 | 4⅛ - 4 | 4 3/16 - 4 1/16 | 4 - 3⅞ | 3⅞ - 3¾ | 3 11/16 - 3 9/16 |
| Can. Dollar | 3⅞ - 3 11/16 | 3 13/16 - 3⅝ | 3¾ - 3⅝ | 3¾ - 3⅝ | 3⅞ - 3¾ | 4⅛ - 3 15/16 |
| US Dollar | 3⅜ - 3¼ | 3⅛ - 3 | 3⅛ - 3 | 3¼ - 3⅛ | 3 7/16 - 3 5/16 | 3¾ - 3⅝ |
| Italian Lira | 10 - 8 | 8½ - 8 | 8⅜ - 7⅞ | 8⅜ - 7⅞ | 8⅛ - 7¾ | 8⅛ - 7¾ |
| Yen | 2⅜ - 2¼ | 2⅜ - 2¼ | 2 5/16 - 2 3/16 | 2 5/16 - 2 3/16 | 2 3/16 - 1 15/16 | 2 - 1⅞ |
| Asian $Sing | 3½ - 2½ | 3½ - 2½ | 3½ - 2½ | 4 - 3 | 4 - 3 | 4¼ - 3¼ |

Short term rates are call for the US Dollar and Yen, others: two days' notice.

**■ THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.19 | 94.19 | +0.03 | 94.20 | 94.17 | 18,787 | 118,318 |
| Jun | 94.68 | 94.70 | +0.03 | 94.72 | 94.68 | 11,800 | 62,881 |
| Sep | 95.08 | 95.06 | +0.01 | 95.09 | 95.01 | 8,463 | 36,676 |
| Dec | 95.36 | 95.35 | +0.01 | 95.37 | 95.33 | 3,236 | 26,635 |

**■ THREE MONTH EURODOLLAR** (LIFFE)* $1m points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 96.62 | 96.62 | 0.02 | 96.63 | 96.61 | 143 | 5344 |
| Jun | 96.32 | 96.32 | 0.02 | 96.33 | 96.32 | 104 | 3181 |
| Sep | 96.03 | 96.03 | -0.04 | 96.03 | 96.03 | 58 | 940 |
| Dec | - | 95.64 | 0.04 | - | - | 0 | 304 |

**■ THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.46 | 94.47 | 0.03 | 94.48 | 94.45 | 29232 | 249415 |
| Jun | 94.91 | 94.92 | 0.03 | 94.94 | 94.90 | 38126 | 177121 |
| Sep | 95.29 | 95.27 | - | 95.30 | 95.25 | 20673 | 137323 |
| Dec | 95.51 | 95.49 | -0.01 | 95.53 | 95.47 | 8622 | 104678 |

**■ THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 92.08 | 92.05 | -0.01 | 92.10 | 92.04 | 3860 | 48226 |
| Jun | 92.60 | 92.60 | - | 92.61 | 92.58 | 2371 | 29613 |
| Sep | 93.00 | 92.98 | -0.01 | 93.01 | 92.97 | 1179 | 21813 |
| Dec | 93.22 | 93.19 | -0.02 | 93.22 | 93.19 | 870 | 8218 |

**■ THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 96.25 | 96.25 | -0.01 | 96.26 | 96.23 | 3009 | 35409 |
| Jun | 96.53 | 96.52 | -0.01 | 96.53 | 96.49 | 794 | 14112 |
| Sep | 96.66 | 96.65 | - | 96.66 | 96.63 | 567 | 5445 |
| Dec | 96.65 | 96.68 | 0.02 | 96.68 | 96.64 | 58 | 1815 |

**■ THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.03 | 94.05 | 0.04 | 94.05 | 94.02 | 1063 | 13906 |
| Jun | 94.52 | 94.55 | 0.04 | 94.56 | 94.52 | 820 | 10245 |
| Sep | 94.92 | 94.94 | 0.04 | 94.94 | 94.92 | 184 | 7721 |
| Dec | 95.24 | 95.24 | 0.04 | 95.24 | 95.24 | 20 | 5142 |

* LIFFE futures traded on APT

**■ THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 96.62 | 96.61 | - | 96.63 | 96.60 | 34,310 | 424,566 |
| Jun | 96.31 | 96.31 | +0.01 | 96.33 | 96.30 | 52,795 | 382,922 |
| Sep | 96.01 | 96.02 | +0.02 | 96.04 | 96.00 | 30,521 | 267,638 |
| Dec | 95.64 | 95.63 | +0.02 | 95.64 | 95.61 | 20,288 | 201,026 |

**■ US TREASURY BILL FUTURES** (IMM) $1m per 100%

| | Open | Latest | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 96.92 | 96.91 | +0.01 | 96.92 | 96.91 | 1,652 | 26,011 |
| Jun | 96.65 | 96.63 | +0.02 | 96.65 | 96.63 | 185 | 7,629 |
| Sep | - | 96.37 | +0.02 | - | - | 137 | 2,337 |

All Open interest figs. are for previous day

**■ EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

| Strike Price | CALLS Mar | CALLS Jun | CALLS Sep | PUTS Mar | PUTS Jun | PUTS Sep |
|---|---|---|---|---|---|---|
| 9425 | 0.25 | 0.69 | 1.04 | 0.03 | 0.02 | 0.02 |
| 9450 | 0.08 | 0.46 | 0.80 | 0.11 | 0.04 | 0.03 |
| 9475 | 0.02 | 0.26 | 0.56 | 0.30 | 0.09 | 0.06 |

Est. vol. total, Calls 2079 Puts 1762. Previous day's open int., Calls 181460 Puts 115747

**■ EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

| Strike Price | CALLS Mar | CALLS Jun | CALLS Sep | PUTS Mar | PUTS Jun | PUTS Sep |
|---|---|---|---|---|---|---|
| 9625 | 0.11 | 0.33 | 0.49 | 0.11 | 0.06 | 0.09 |
| 9650 | 0.03 | 0.16 | 0.31 | 0.28 | 0.14 | 0.16 |
| 9675 | 0.02 | 0.06 | 0.17 | 0.52 | 0.29 | 0.27 |

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1149 Puts 2700

## UK INTEREST RATES

### LONDON MONEY RATES

| Jan 19 | Over-night | 7 days notice | One month | Three months | Six months | One year |
|---|---|---|---|---|---|---|
| Interbank Sterling | 9 - 5¼ | 5⅜ - 5¼ | 5½ - 5⅜ | 5 7/16 - 5 5/16 | 5 5/16 - 5 3/16 | 5¼ - 5⅛ |
| Sterling CDs | - | - | 5 5/16 - 5¼ | 5¼ - 5 3/16 | 5 3/16 - 5⅛ | 5 3/32 - 5 1/32 |
| Treasury Bills | - | - | 5 5/16 - 5⅛ | 5 - 4 15/16 | - | - |
| Bank Bills | - | - | 5 5/16 - 5⅛ | 5 3/32 - 5 1/16 | 5 - 4 31/32 | - |
| Local authority deps. | 5 9/16 - 5 7/16 | 5 7/16 - 5 5/16 | 5 7/16 - 5 5/16 | 5 7/16 - 5 5/16 | 5⅜ - 5¼ | 5⅜ - 5¼ |
| Discount market deps. | 8 - 6 | 5 9/16 - 5 7/16 | - | - | - | - |

UK clearing bank base lending rate 5½ per cent from November 23, 1993

| | Up to 1 month | 1-3 month | 3-6 months | 6-9 months | 9-12 months |
|---|---|---|---|---|---|
| Certs of Tax dep. (£100,000) | 1¾ | 4¼ | 4 | 3¾ | 3¼ |

Certs of Tax dep. under £100,000 is 2¼pc. Deposits withdrawn for cash 1pc.
Ave. tender rate of discount 4.9094pc. ECGD fixed rate Stg. Export Finance. Make up day December 31, 1993. Agreed rate for period Jan 26, 1994 to Feb 25, 1994, Schemes II & III 6.65pc. Reference rate for period Dec 1, 1993 to Dec 31, 1993, Schemes IV & V 5.375pc. Finance House Base Rate 5½pc from Jan 1, 1994

**■ THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

| | Open | Sett price | Change | High | Low | Est. vol | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 94.74 | 94.82 | 0.09 | 94.85 | 94.72 | 52639 | 113044 |
| Jun | 94.92 | 94.99 | 0.08 | 95.04 | 94.89 | 45143 | 105752 |
| Sep | 94.93 | 95.01 | 0.09 | 95.07 | 94.90 | 14441 | 56711 |
| Dec | 94.87 | 94.99 | 0.13 | 95.07 | 94.87 | 14655 | 63711 |

Traded on APT. All Open interest figs. are for previous day.

**■ SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

| Strike Price | CALLS Mar | CALLS Jun | CALLS Sep | PUTS Mar | PUTS Jun | PUTS Sep |
|---|---|---|---|---|---|---|
| 9475 | 0.14 | 0.32 | 0.40 | 0.07 | 0.08 | 0.14 |
| 9500 | 0.04 | 0.17 | 0.25 | 0.22 | 0.18 | 0.24 |
| 9525 | 0.01 | 0.07 | 0.14 | 0.44 | 0.33 | 0.38 |

Est. vol. total, Calls 6957 Puts 6765. Previous day's open int., Calls 141462 Puts 133527

### BASE LENDING RATES

| | % | | % | | % |
|---|---|---|---|---|---|
| Adam & Company | 5.5 | Duncan Lawrie | 5.5 | * Roxburghe Bank Ltd is no longer authorised as a banking institution. | 8 |
| Allied Trust Bank | 5.5 | Exeter Bank Limited | 6.5 | Royal Bk of Scotland | 5.5 |
| AIB Bank | 5.5 | Financial & Gen Bank | 6 | ●Smith & Williamson Secs. | 5.5 |
| ●Henry Ansbacher | 5.5 | ●Robert Fleming & Co | 5.5 | Standard Chartered | 5.5 |
| Bank of Baroda | 5.5 | Girobank | 5.5 | TSB | 5.5 |
| Banco Bilbao Vizcaya | 5.5 | ●Guinness Mahon | 5.5 | ●United Bk of Kuwait | 6.5 |
| Bank of Cyprus | 5.5 | Habib Bank AG Zurich | 5.5 | Unity Trust Bank Plc | 5.5 |
| Bank of Ireland | 5.5 | ●Hambros Bank | 5.5 | Western Trust | 5.5 |
| Bank of India | 5.5 | Heritable & Gen Inv Bk | 5.5 | Whiteaway Laidlaw | 5.5 |
| Bank of Scotland | 5.5 | ●Hill Samuel | 5.5 | Wimbledon & Sth West | 6.5 |
| Barclays Bank | 5.5 | C. Hoare & Co | 5.5 | Yorkshire Bank | 5.5 |
| Brit Bk of Mid East | 5.5 | Hongkong & Shanghai | 5.5 | | |
| ●Brown Shipley | 5.5 | Julian Hodge Bank | 5.5 | | |
| CL Bank Nederland | 5.5 | ●Leopold Joseph & Sons | 5.5 | | |
| Citibank NA | 5.5 | Lloyds Bank | 5.5 | | |
| City Merchants Bank | 5.5 | Meghraj Bank Ltd | 5.5 | | |
| Clydesdale Bank | 5.5 | Midland Bank | 5.5 | | |
| The Co-operative Bank | 5.5 | * Mount Banking | 6 | | |
| Coutts & Co | 5.5 | NatWestminster | 5.5 | | |
| Credit Lyonnais | 5.5 | ●Rea Brothers | 5.5 | | |
| Cyprus Popular Bank | 5.5 | | | | |

● Members of British Merchant Banking & Securities Houses Association
* In administration

## MONEY MARKET FUNDS

### Money Market Trust Funds

[illegible]

### Money Market Bank Accounts

[illegible]

Charterhouse Bank Limited [illegible]

Clydesdale Bank Flexible Solution Acc [illegible]

The Co-operative Bank [illegible]

ULC Trust Limited [illegible]

United Dominions Trust Ltd [illegible]

J. Henry Schroder Wagg & Co Ltd [illegible]

Western Trust High Interest Cheque Acc [illegible]

Wimbledon & South West Finance PLC [illegible]

NOTES— Gross: Contracted rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate compounded to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int: Frequency at which interest is credited to the account.

# WORLD STOCK MARKETS

## EUROPE

AUSTRIA (Jan 19 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Jan 19 / Frs.)

[illegible]

DENMARK (Jan 19 / Kr)

[illegible]

FINLAND (Jan 19 / Mk)

[illegible]

FRANCE (Jan 19 / Frs.)

[illegible]

GERMANY (Jan 19 / Dm.)

[illegible]

ITALY (Jan 19 / Lire)

[illegible]

NETHERLANDS (Jan 19 / Fls.)

[illegible]

NORWAY (Jan 19 / Kroner)

[illegible]

SPAIN (Jan 19 / Pts.)

[illegible]

SWEDEN (Jan 19 / Kronor)

[illegible]

SWITZERLAND (Jan 19 / Fr.)

[illegible]

## PACIFIC

JAPAN (Jan 19 / Yen)

[illegible]

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sankyo | 2,520 | .... | 3,080 | 2,210 | 0.4 | .... | |
| Sanrio | 1,430 | -150 | 2,570 | 912 | .... | — | |
| SnwaBk | 2,140 | +70 | 2,480 | 1,450 | .... | — | |
| SnwaSh | 952 | +32 | 1,120 | 785 | .... | — | |
| SnyoEl | 445 | +1 | 499 | 342 | .... | — | |
| Spporo | 929 | -2 | 1,120 | 830 | — | — | |
| Secom | 6,970 | -40 | 7,330 | 5,360 | 0.6 | — | |
| SegaEn | 9,210 | -190 | 11,500 | 7,550 | — | — | |
| SeibuR | 3,800 | +120 | 4,500 | 2,100 | .... | .... | |
| SeinoT | 1,840 | +20 | 1,980 | 1,240 | 0.7 | ... | |
| SeiyoF | 1,100 | -30 | 1,310 | 800 | — | ... | |
| Seiyu | 1,450 | +30 | 1,500 | 1,080 | ... | ... | |
| SekChm | 1,020 | +20 | 1,110 | 675 | ... | .... | |
| SekHse | 1,390 | +10 | 1,500 | 926 | 1.3 | .... | |
| Settsu | 425 | +10 | 589 | 300 | 1.2 | .... | |
| SvElev | 8,420 | +90 | 9,300 | 6,054 | .... | .... | |
| Sharp | 1,580 | +10 | 1,600 | 938 | ... | ... | |

HONG KONG (Jan 19 / H.K.$)

[illegible]

MALAYSIA (Jan 19 / MYR)

[illegible]

SINGAPORE (Jan 19 / S$)

[illegible]

AUSTRALIA (Jan 19 / Aust$)

[illegible]

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| PacDun | 5.85 | +.06 | 5.78 | 4.25 | 3.8 | — |
| Pancon | 2.10 | +.02 | 2.10 | 0.85 | — | — |
| Psmnco | 2.02 | +.14 | 2.02 | 0.95 | .... | — |
| Pionln | 2.83 | +.03 | 2.92 | 2.19 | 5.3 | 11.8 |
| PtaPac | 3.76 | +.06 | 3.90 | 1.25 | 0.9 | — |
| Rutnc | 8.42 | +.12 | 8.55 | 2.05 | — | — |
| PosGld | 4.04 | +.02 | 5.10 | 1.47 | 2.5 | .... |
| QBE In | 6.60 | +.10 | 6.70 | 3.75 | 3.3 | .... |
| QCT Rs | 1.74 | +.11 | 1.81 | 1.05 | 5.7 | .... |
| RnsnGd | 5.55 | +.15 | 5.55 | 2.65 | 0.5 | .... |
| Rothmn | 6.58 | +.03 | 7.70 | 5.15 | 5.8 | 7.5 |
| Santos | 3.97 | +.12 | 4.49 | 2.60 | 5.5 | 9.2 |
| SmthHw | 6.80 | +.06 | 6.85 | 5.08 | 4.2 | — |
| SonGwa | 9.10 | -.05 | 9.40 | 4.76 | 6.5 | — |
| Stnc'p | 3.77 | +.02 | 3.90 | 2.94 | .... | .... |
| Stckld | 3.54 | — | 3.70 | 2.83 | 6.8 | 25.3 |
| TNT | 2.25 | +.05 | 2.25 | 0.69 | 6.7 | 7.8 |

## NORTH AMERICA

CANADA

TORONTO (Jan 19 / Can $)

4 pm close

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 114712 | AlbtaE | 19¼ | +⅛ | $19½ | 19¼ | 37000 | PagmA | 385 | -15 | 385 | 355 |
| 25685 | AlbNaG | 17¼ | +¼ | $17¼ | 16⅝ | 12880 | PanCnP | 44 | +2 | $44 | 42 |
| 1097880 | AlcnAl | 30½ | -¼ | $30¾ | 30¼ | 15200 | Pgasus | 31⅜ | -⅞ | $31⅞ | 31⅜ |
| 180717 | AmBarr | 40⅛ | -⅝ | $40½ | 39⅞ | 153458 | PetCan | 13 | +¼ | $13⅛ | 12¾ |
| 223300 | AtcoCl | 16½ | +⅜ | $16½ | 16¼ | 2300 | PhilEn | 7⅛ | | $7⅛ | 7 |
| 130400 | BCSupA | 11 | +⅛ | $11 | 10⅞ | 1215110 | PrDome | 38⅝ | | $38⅝ | 38⅛ |
| 60500 | BC Tel | 25⅜ | +¼ | $25½ | 25⅛ | 256586 | PowrCp | 23⅛ | +⅛ | d23¼ | 22⅞ |
| 720081 | BCE | 47⅝ | +⅛ | d47⅝ | 47¼ | 1500 | PowrFn | 34⅛ | -⅛ | $34⅛ | 34 |
| 9791 | BCE Mb | 40½ | -¼ | $41⅛ | 40½ | 327450 | RaynkY | 16¾ | +1⅛ | $16¾ | 15⅞ |
| 186700 | Belmrl | 13½ | | 14 | 13½ | 900 | RelmG | 23¾ | +2¼ | $23¾ | 23¾ |
| 8995 | BGR A | 16¼ | -¼ | $16½ | 16¼ | 110 | Rothmn | 101 | | $101 | 101 |
| 3208 | Bmswk | 8⅞ | | $9 | 8¾ | 509300 | RngOil | 6¾ | +⅛ | $6¾ | 6½ |
| 1481340 | BkMont | 29⅝ | -⅛ | d30½ | 29⅝ | 210 | ReedSt | 26¾ | -¼ | $26¾ | 26¾ |
| 1211140 | BkNovS | 32½ | -⅛ | d33¼ | 32⅝ | 360510 | Ren En | 29⅞ | +¼ | $29⅞ | 28⅝ |
| 300 | BloChP | 15 | | $15 | 14⅞ | 1030906 | Repap | 440 | +25 | 450 | 415 |
| 186340 | BmbdrB x | 21½ | | $21½ | 21⅛ | 33500 | Rigel | 18⅝ | +⅜ | $18⅝ | 18⅜ |
| 16484 | BowVal | 13 | | $13⅛ | 13 | 11865 | RioAlg | 22⅞ | +⅜ | d23¼ | 22⅞ |
| 3587850 | Brmlea | 43 | -½ | 44 | 42 | 301073 | RogCmB | 22¼ | | $22¼ | 22⅛ |

MONTREAL (Jan 19 / Can $)

4 pm close

[illegible]

## AFRICA

SOUTH AFRICA (Jan 19 / Rand)

[illegible]

*Prices supplied by Telekurs*

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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## ■ TOKYO - MOST ACTIVE STOCKS: Wednesday, January 19, 1994

| | Stocks Traded | Closing Prices | Change on day | | Stocks Traded | Closing Prices | Change on day |
|---|---|---|---|---|---|---|---|
| Fujitsu | 10.9m | 905 | +18 | Isuzu Motor | 4.5m | 423 | +15 |
| Oki Elec | 9.3m | 608 | +24 | Nippon Steel | 4.4m | 320 | +1 |
| Sumitomo Mtl Min | 7.1m | 955 | | Sanrio | 3.9m | 1,430 | -150 |
| NEC | 5.5m | 978 | +23 | Sumitomo Bank | 3.8m | 2,100 | +90 |
| Hitachi | 5.0m | 860 | +13 | Mitsubishi Hvy | 3.8m | 685 | +9 |

## INDICES

[illegible]

| | Jan 19 | Jan 18 | Jan 17 | 1993/4 High | | 1993/4 Low | |
|---|---|---|---|---|---|---|---|
| Turkey | | | | | | | |
| Istanbul Comp.(Jan 1986) | 25504.5 | 25907.0 | 27593.2 | 28893.90 | 13/1/94 | 3955.53 | 1/1/93 |
| WORLD | | | | | | | |
| MS Capital Int (1/1/70)$ | 615.9* | 610.8 | 608.6 | 615.90 | 19/1/94 | 488.80 | 13/1/93 |
| CROSS-BORDER | | | | | | | |
| Eurotrack 100(26/10/90) | 1488.83 | 1479.03 | 1474.69 | 1493.81 | 11/1/94 | 1063.02 | 13/1/93 |
| Euro Top-100 (26/6/90) | 1268.89 | 1258.72 | 1253.71 | 1268.89 | 19/1/94 | 892.73 | 13/1/93 |
| JCapelDrgns (31/12/88) | (u) | 351.34 | 347.46 | 365.19 | 5/1/94 | 188.92 | 4/1/93 |
| Barings Emerg.(7/1/92) | 170.05 | 170.16 | 167.79 | 172.25 | 6/1/94 | 99.81 | 4/2/93 |

## ■ CAC-40 STOCK INDEX FUTURES (MATIF)

| | Open | Sett Price | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Jan | 2269.0 | 2288.0 | +31.0 | 2295.0 | 2264.0 | 26,322 | 32,707 |
| Feb | 2282.5 | 2299.0 | +31.5 | 2308.0 | 2280.0 | 2,685 | 2,991 |
| Mar | 2294.0 | 2311.0 | +31.5 | 2319.5 | 2290.0 | 486 | 36,190 |
| Jun | - | 2306.0 | +31.0 | - | - | - | 2,295 |

Open interest figures for previous day.

[illegible] Home Bonds indices were recalculated at source for December [illegible] +44 71 873 3084/tel. no: +44 71 873 4211. §§ Montreal. ♣ [illegible] 2182.52 +2.17.

## US INDICES

| Dow Jones | Jan 18 | Jan 17 | Jan 14 | 1993/4 High | 1993/4 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|
| Industrials | 3870.29 | 3870.29 | 3867.20 | 3870.29 (17/1/94) | 3241.95 (20/1/93) | 3870.29 (17/1/94) | 41.22 (2/7/32) |
| Home Bonds♦ | 105.52 | 105.29 | 105.42 | 109.77 (18/10/93) | 103.49 (11/1/93) | 109.77 (18/10/93) | 54.99 (1/10/81) |
| Transport | 1822.58 | 1822.58 | 1834.81 | 1834.81 (14/1/94) | 1453.84 (4/1/93) | 1834.81 (14/1/94) | 12.32 (8/7/32) |
| Utilities | 220.60 | 220.21 | 221.39 | 256.46 (31/8/93) | 217.14 (6/1/93) | 256.46 (31/8/93) | 10.50 (8/4/32) |

DJ Ind. Day's high 3905.19 (3896.75 ) Low 3840.75 (3833.71 ) (Theoretical♣)
Day's high 3882.11 (3878.17 ) Low 3864.10 (3858.79 ) (Actual♣)

| Standard and Poors | | | | | | | |
|---|---|---|---|---|---|---|---|
| Composite ‡ | 474.25 | 473.30 | 474.91 | 475.27 (10/1/94) | 429.05 (8/1/93) | 475.27 (10/1/94) | 4.40 (1/6/32) |
| Industrials | 552.91 | 551.91 | 552.82 | 553.49 (10/1/94) | 496.48 (26/4/93) | 553.49 (10/1/94) | 3.62 (21/6/32) |
| Financial | 44.96 | 45.08 | 45.36 | 48.40 (28/9/93) | 39.89 (8/1/93) | 48.40 (28/9/93) | 8.64 (1/10/74) |
| NYSE Comp. | 262.76 | 262.31 | 262.90 | 262.90 (14/1/94) | 236.21 (8/1/93) | 262.90 (14/1/94) | 4.46 (25/4/42) |
| Amex Mkt Val | 481.94 | 481.78 | 480.89 | 484.28 (2/11/93) | 395.84 (8/1/93) | 484.28 (2/11/93) | 29.31 (9/12/72) |
| NASDAQ Cmp | 793.02 | 792.18 | 792.31 | 793.02 (18/1/94) | 645.87 (26/4/93) | 793.02 (18/1/94) | 54.87 (31/10/72) |

## ■ RATIOS

| | Jan 14 | Jan 7 | Dec 31 | Year ago |
|---|---|---|---|---|
| Dow Jones Ind. Div. Yield | 2.62 | 2.65 | 2.68 | 3.17 |
| | Jan 12 | Jan 5 | Dec 29 | Year ago |
| S & P Ind. Div. yield | 2.35 | 2.38 | 2.38 | 2.58 |
| S & P Ind. P/E ratio | 28.07 | 27.72 | 27.21 | 26.85 |

## ■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

| | Open | Latest | Change | High | Low | Est. vol. | Open int. |
|---|---|---|---|---|---|---|---|
| Mar | 473.35 | 474.15 | -0.25 | 474.75 | 474.00 | 41,628 | 180,439 |
| Jun | - | 475.40 | +0.75 | - | - | 437 | 14,519 |
| Sep | - | 476.80 | +0.80 | - | - | 5 | 819 |

Open interest figures are for previous day.

## ■ NEW YORK ACTIVE STOCKS

| Tuesday | Stocks traded | Close price | Change on day |
|---|---|---|---|
| RJR Nabisco | 5,669,500 | 7 | +⅛ |
| Chrysler | 4,267,100 | 62½ | +¾ |
| Gen Motors | 3,177,900 | 62 | +1¼ |
| Coca Cola | 2,881,100 | 41 | -⅜ |
| Citicorp | 2,824,800 | 41¼ | +⅛ |
| Merck | 2,785,600 | 36½ | —— |
| Telefonos | 2,502,500 | 67¼ | +1¼ |
| Paramount | 2,446,300 | 80 | +1¼ |
| Santa Fe | 2,389,300 | 28⅛ | +1⅛ |
| Amer T & T | 2,275,000 | 55 | +⅛ |

## ■ TRADING ACTIVITY

● Volume (million)

| | Jan 18 | Jan 17 | Jan 14 |
|---|---|---|---|
| New York SE | 301.408 | 221.337 | 304.956 |
| Amex | 19.501 | 15.529 | 18.864 |
| NASDAQ | (u) | 243.446 | 289.857 |
| NYSE | | | |
| Issues Traded | 2,719 | 2,695 | 2,740 |
| Rises | 1,198 | 997 | 1,254 |
| Falls | 896 | 1,054 | 860 |
| Unchanged | 625 | 644 | 626 |
| New Highs | 154 | 117 | 126 |
| New Lows | 22 | 15 | 17 |

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

*4 pm close January 19*

# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

| 1993/94 High | Low | Stock | Div | Yld. % | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 15 3/4 | 11 1/2 | AAR | 0.48 | 3.1 | 520 | 222 | u15 3/4 | 15 1/4 | 15 5/8 | |
| 29 3/8 | 12 3/4 | A L Labs A | 0.18 | 1.1 | 37 | 381 | 16 1/8 | 15 3/8 | 16 1/8 | +3/4 |
| 67 1/4 | 54 5/8 | AMP | 1.60 | 2.5 | 22 | 1246 | 64 1/2 | 63 1/2 | 63 3/4 | -3/4 |
| 72 3/4 | 55 1/2 | AMR | | | 58 | 5619 | 71 5/8 | 68 1/2 | 71 1/2 | +1 5/8 |
| 4 1/4 | 1 3/4 | ARX | | | 16 | 831 | 4 1/8 | 4 | 4 1/8 | |
| 56 1/8 | 29 7/8 | ASA | 2.00 | 3.8 | 35 | 1320 | 54 | 52 7/8 | 52 7/8 | -1 1/8 |
| 30 3/4 | 22 3/8 | AbbtL | 0.68 | 2.3 | 17 | 13292 | 30 | 28 7/8 | 29 1/8 | -5/8 |
| 13 | 8 1/4 | Abitibi Pr | 0.50 | 3.9 | 8 | 30 | 12 7/8 | 12 3/4 | 12 7/8 | +1/8 |
| 15 3/8 | 8 1/4 | Acptncein | | | 24 | 95 | 13 3/8 | 13 | 13 1/4 | +1/4 |
| 30 | 25 1/2 | ACE Ltd | 0.40 | 1.4 | 5 | 2262 | 29 3/8 | 29 1/4 | 29 3/8 | +1/4 |
| 12 3/8 | 10 3/4 | ACM Gvt In | 1.08 | 8.8 | | 569 | 12 3/8 | 12 1/8 | 12 1/4 | -1/8 |
| 10 1/8 | 9 1/8 | ACM GvOpp | 0.80 | 8.1 | | 76 | 10 | 9 3/4 | 9 7/8 | |
| 10 5/8 | 8 3/4 | ACM Gvt Sp | 0.95 | 9.1 | | 616 | 10 1/2 | 10 1/4 | 10 1/2 | +1/4 |
| 12 1/4 | 10 1/2 | ACM Gvt Se | 1.04 | 8.9 | | 1013 | 11 3/4 | 11 1/2 | 11 5/8 | -1/8 |
| 12 1/4 | 9 5/8 | ACM Man | 1.08 | 9.4 | | 240 | 11 1/2 | 11 3/8 | 11 1/2 | |
| 9 3/8 | 8 5/8 | ACM Managd | 0.72 | 7.9 | | 270 | 9 1/4 | 9 | 9 1/8 | |
| 12 3/8 | 7 3/4 | AcmeClv | 0.44 | 4.2 | 13 | 48 | 10 1/2 | 10 3/8 | 10 3/8 | -1/8 |
| 11 3/8 | 6 3/8 | Acme Elect | | | 34 | 21 | 7 3/4 | 7 1/2 | 7 1/2 | -1/4 |
| 27 5/8 | 18 3/8 | Acordia | 0.44 | 1.8 | 13 | 14 | 24 3/8 | 24 1/4 | 24 1/4 | |
| 18 | 10 3/8 | Acuson | | | 59 | 276 | 12 7/8 | 12 1/4 | 12 7/8 | +1/2 |
| 21 3/4 | 17 5/8 | Adams Expr | 0.52 | 2.8 | 0 | 110 | 18 3/8 | 18 1/4 | 18 3/8 | |
| 66 1/4 | 45 1/2 | Ad Micro | 3.00 | 6.2 | | 77 | 49 | 48 3/8 | 48 1/2 | -3/4 |
| 32 3/4 | 18 3/4 | AdvMic | 3.00 | 15.7 | 8 | 5785 | 19 3/8 | 18 7/8 | 19 1/8 | -3/8 |
| 8 1/8 | 5 1/2 | Advest Grp | 0.16 | 2.4 | 11 | 109 | 6 3/4 | 6 5/8 | 6 5/8 | -1/8 |
| 24 3/4 | 14 1/4 | Afina Inc | 0.08 | 0.4 | 87 | 278 | 18 5/8 | 18 1/8 | 18 3/8 | -3/8 |
| 58 1/2 | 41 1/8 | Aegon ADR | 1.23 | 2.3 | 12 | 25 | 55 | 54 1/2 | 54 1/2 | -1/8 |
| 66 1/4 | 43 3/8 | AetnaL | 2.76 | 4.7 | 25 | 2988 | 58 1/4 | 57 1/4 | 58 1/4 | +1 |
| 34 | 24 3/4 | Aflac | 0.40 | 1.5 | 12 | 1918 | 26 5/8 | 26 | 26 | -5/8 |
| 22 1/8 | 18 3/4 | Ahmanen | 0.88 | 4.6 | 8 | 1685 | 19 3/8 | 19 | 19 1/4 | |
| 7 3/4 | 2 1/2 | Aileen Inc | | | 3 | 158 | 2 7/8 | 2 3/4 | 2 3/4 | |
| 48 1/2 | 37 1/2 | AirPrC | 0.92 | 1.9 | 27 | 1097 | u48 3/4 | 47 1/2 | 48 3/4 | +1 3/8 |
| 38 1/2 | 18 1/8 | Airbne Frt | 0.30 | 0.9 | 28 | 1526 | 35 3/8 | 34 1/2 | 34 5/8 | -5/8 |
| 25 1/2 | 9 3/8 | Airgas Inc | | | 49 | 1667 | u25 3/4 | 25 | 25 1/4 | +1/2 |
| 16 1/8 | 10 1/2 | Airlease | 1.84 | 11.8 | 11 | 36 | 15 5/8 | 15 3/8 | 15 5/8 | +1/8 |
| 106 1/2 | 101 | AlaPw8.16 | 8.16 | 7.8 | | 3 | 104 | 104 | 104 | |

[illegible]

| 1993/94 High | Low | Stock | Div | Yld. % | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 31 1/4 | 20 1/2 | Bearings | 0.64 | 2.3 | 21 | 1088 | 28 1/4 | 28 1/4 | 28 1/4 | |
| 29 3/4 | 18 3/4 | Beckman In | 0.36 | 1.3 | 16 | 1286 | 28 1/4 | 27 7/8 | 27 7/8 | -1/4 |
| 40 3/4 | 32 5/8 | BectnD | 0.74 | 2.1 | 13 | 945 | 35 1/2 | 35 1/8 | 35 1/4 | -1/8 |
| 69 | 49 5/8 | BellAtl | 2.68 | 4.8 | 16 | 12383 | 56 1/4 | 54 5/8 | 56 | +1 3/8 |
| 19 3/4 | 8 5/8 | Bell In | 0.40 | 2.1 | 21 | 255 | 19 5/8 | 18 5/8 | 18 7/8 | -7/8 |
| 63 3/4 | 50 1/8 | BellSth | 2.76 | 4.9 | 17 | 3562 | 56 1/2 | 55 3/4 | 56 1/2 | +7/8 |
| 53 | 38 3/4 | Belo A | 0.60 | 1.1 | 24 | 128 | 52 3/4 | 52 1/4 | 52 3/8 | -1/8 |



Continued on next page

4 pm close January 19

## NYSE COMPOSITE PRICES

Continued from previous page

| 1993/94 High | Low | Stock | Div. | Yld. % | P/E | Sls 100s | High | Low | Close Price | Chng. Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 39 | 25⅝ | TDK Corp A | 0.47 | 1.3 | 36 | 25 | 35⅞ | 35¼ | 35⅞ | +¾ |
| 3¾ | 1½ | T I S Mtge | 0.20 | 10.7 | 0 | 180 | 2⅛ | 1⅞ | 1⅞ | -⅛ |
| 34¼ | 24½ | TJX | 0.60 | 2.0 | 16 | 3558 | 25⅞ | 25⅜ | 25⅝ | -¼ |
| 19½ | 14⅝ | TNP Enterp | 1.63 | 9.4 | 31 | 124 | 17⅜ | 17⅛ | 17¼ | |
| 71¾ | 52½ | TRW | 1.88 | 2.6 | 21 | 3489 | u73 | 72⅛ | 72¼ | +½ |
| 25⅞ | 5¼ | T2-Medcl | 0.10 | 1.3 | 7 | 1491 | 7¾ | 7½ | 7⅝ | |
| 1¼ | 11/32 | UniMed L | | | 0 | z100 | ⅜ | ⅜ | ⅜ | |
| 14¼ | 9½ | Univar Crp | 0.30 | 2.6 | 36 | 4 | 11⅝ | 11⅝ | 11⅝ | -⅛ |
| 33¾ | 21¾ | Unwst Crp | 0.96 | 3.7 | 11 | 666 | 26⅛ | 25¾ | 25⅞ | -⅛ |
| 32⅝ | 23½ | Unocal | 0.80 | 2.8 | 18 | 5068 | 29⅛ | 28¾ | 28¾ | -⅜ |
| 60⅛ | 47¾ | UNUM Corp | 0.80 | 1.6 | 13 | 2887 | 51⅞ | 50⅝ | 50⅝ | -1 |
| 35 | 25⅝ | Upjhn | 1.48 | 5.1 | 13 | 2665 | 29½ | 29 | 29⅛ | +⅛ |
| 29¾ | 19⅝ | Zenith Nar | 1.00 | 4.4 | 10 | 218 | 22⅝ | 22⅜ | 22⅝ | +⅛ |
| 8 | 6½ | Zenix Inc | 0.82 | 10.7 | | 68 | 7¾ | 7⅝ | 7⅝ | |
| 16⅝ | 12⅝ | Zero | 0.40 | 3.0 | 16 | 485 | 13⅜ | 12¾ | 13⅜ | +⅝ |
| 40¾ | 25⅛ | Zurn Ind | 0.88 | 3.2 | 60 | 347 | 27⅝ | 26⅞ | 27⅝ | +¾ |
| 13⅞ | 12⅝ | Zweig Fund | 1.24 | 9.1 | | 173 | 13¾ | 13⅝ | 13⅝ | -⅛ |
| 10⅞ | 9⅞ | Zweig Totl | 0.96 | 8.9 | | 385 | 10¾ | 10⅝ | 10¾ | +⅛ |

*Price data supplied by Telekurs*

Yearly highs and lows reflect the period from Jan 1 1993.
Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.
a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

## NASDAQ NATIONAL MARKET

4 pm close January 19

## AMEX COMPOSITE PRICES

4 pm close January 19

| Stock | Div. | P/E | Sls 100s | High | Low | Close | Chng |
|---|---|---|---|---|---|---|---|
| Acton Cpr | | 0 | 72 | 8⅛ | 7¾ | 8⅛ | |
| Adv Magn | | 37 | 57 | 13⅝ | 13¼ | 13½ | -¼ |
| Air Expr | 0.20 | 12 | 156 | 19⅜ | 19 | 19¼ | +¼ |
| Alfin Inc | | 1 | 148 | 1¼ | 1 3/16 | 1¼ | |
| Alpha Ind | | 11 | 156 | 4⅜ | 4 5/16 | 4 5/16 | -⅛ |
| Am Isr Pa | 1.04 | 13 | 17 | 45⅝ | 45⅝ | 45½ | |
| AmMaize A | 0.64 | 31 | 173 | 18⅞ | 18⅛ | 18¾ | +⅜ |
| Amdahl | 0.05 | 1 | 1062 | 6⅝ | 6½ | 6⅝ | +⅛ |
| Am Expl | | 2 | 831 | 1 11/16 | 1 5/16 | 1⅝ | |
| Ampal-AmA | | 68 | 241 | 12⅜ | 12⅛ | 12⅜ | |
| ASR Inve | 0.72 | 0 | 78 | 1 15/16 | 1⅞ | 1 15/16 | +1/16 |
| Astrotech | | 53 | 41 | 3¾ | 3¾ | 3¾ | |
| Atari | | 7 | 2330 | 7¼ | 6⅞ | 7⅛ | -⅛ |
| AtlasCM B | | 1 | 42 | 7/16 | 7/16 | 7/16 | +1/16 |
| Audiovx A | | 15 | 789 | 17¼ | 16½ | 17 | +⅜ |
| B&H Ocean | 0.55 | 1 | 2 | 3 11/16 | 3 11/16 | 3 11/16 | -1/16 |
| BadgerMtr | 0.68 | 34 | 6 | 19⅛ | 19 | 19 | |
| BaldwnT A | 0.04 | 23 | 174 | 5¼ | 5⅛ | 5¼ | +⅛ |
| Barry RG | | 15 | 191 | 15⅜ | 15 | 15 | -¼ |
| BAT Ind | 0.29 | 14 | 616 | 7 13/16 | 7¾ | 7¾ | |
| Beard Oil | | 0 | 2 | 9/16 | 9/16 | 9/16 | |
| Bergen Br | 0.40 | 22 | 678 | 18 | 17¾ | 17¾ | |
| Binks Man | 0.50 | 159 | z100 | 22⅜ | 22⅜ | 22⅜ | -⅛ |
| Bio-Rad A | | 18 | 241 | 12½ | 11⅞ | 12⅛ | +⅜ |
| Blount A | 0.50 | 31 | 210 | 28½ | 28¼ | 28⅜ | -⅛ |
| Bolar Ph | | 42 | 206 | 6⅝ | 6⅜ | 6⅜ | |
| Bow Valley | | 41 | 34 | 10 | 9¾ | 9⅞ | +⅛ |
| Bowmar | | 68 | 86 | 4 3/16 | 4 | 4 | -1/16 |
| Bowne | 0.30 | 10 | 98 | 20⅞ | 20⅜ | 20⅞ | |
| Brascan A | 1.04 | 14 | 19 | 13⅝ | 13⅝ | 13⅝ | -⅛ |
| Cal Engy | | 17 | 1344 | 17¾ | 17⅜ | 17⅜ | |
| Calprop | | 0 | 10 | 1 1/16 | 1 1/16 | 1 1/16 | +1/16 |
| Cambrex | 0.20 | 13 | 2 | 20¼ | 20¼ | 20¼ | -¼ |
| Can Marc | 0.28 | 15 | 21 | 11 | 10¾ | 10⅞ | |
| Chmbrs A | 0.01 | 11 | 780 | 5⅜ | 5 | 5⅜ | +⅛ |
| Chambers | | 10 | 9 | 5⅛ | 5⅛ | 5⅛ | +⅛ |
| Champion | | 30 | 224 | 20¾ | 20¼ | 20¾ | +½ |
| Chiles | | 22 | 1778 | 4 3/16 | 3⅞ | 4 | +1/16 |
| Cmnl FdA | 0.01 | | 389 | 5⅝ | 5½ | 5⅝ | +⅛ |
| Comanco | 0.30 | 6 | 61 | u17 | 16½ | 16⅝ | +⅝ |
| Computrac | | 6 | 80 | 1¼ | 1 3/16 | 1 3/16 | -1/16 |
| Concd FbA | | 6 | 141 | 9⅞ | 9⅜ | 9⅜ | |
| CrossAT A | 0.64 | 237 | 259 | 14⅝ | 14⅛ | 14¼ | -⅛ |
| Crown C A | 0.40 | 9 | 16 | 16½ | 16⅜ | 16½ | +¼ |
| Crown C B | 0.40 | 13 | 47 | 15 | 14¾ | 15 | +⅛ |
| Cubic | 0.53 | 61 | 8 | 22 | 22 | 22 | |
| Customedix | | 15 | 17 | 2¾ | 2 11/16 | 2¾ | |
| DI Inds | | 13 | 5 | 15/16 | 15/16 | 15/16 | |
| Damark | | 22 | 795 | 13⅞ | 13 | 13½ | +½ |
| Ducommun | | 5 | 3 | 3 | 3 | 3 | +1/16 |
| Dupiex | 0.48 | 58 | 37 | 11⅛ | 11 | 11⅛ | -⅛ |
| DWG Corp | | 18 | 525 | 31⅛ | 30⅝ | 30⅞ | |
| Eastn Co | 0.46 | 14 | 19 | 12⅛ | 12 | 12⅛ | |
| Eastgroup | 1.72 | 207 | 41 | 20⅜ | 20⅛ | 20⅜ | |
| Echo Bay | 0.07 | 61 | 12820 | 14¾ | 14¼ | 14¼ | -⅜ |
| Ecol En A | 0.28 | 12 | 28 | 15⅜ | 15⅜ | 15⅜ | |
| Edisto Rs | | 5 | 117 | 7½ | 7¼ | 7⅜ | +⅛ |
| Elan | | 20 | 783 | 47⅝ | 46⅛ | 46⅜ | -1¼ |
| Engy Serv | | 84 | 1562 | 3⅜ | 3 5/16 | 3⅜ | +1/16 |
| Epitope | | 12 | 472 | 20⅜ | 19⅝ | 20⅛ | +½ |
| Fab Inds | 0.64 | 13 | 60 | 35 | 34⅞ | 35 | |
| Fina A | 3.20 | 11 | 77 | 69 | 67½ | 68½ | +⅞ |
| FstCityBnc | 0.20 | 12 | 2 | 11½ | 11½ | 11½ | +⅛ |
| Fluke (J) | 0.52 | 64 | 15 | 25⅞ | 25½ | 25⅞ | +¼ |
| Forest La | | 29 | 876 | 46⅞ | 46½ | 46¾ | +⅛ |
| Frequency | | 4 | 3 | 5¼ | 5¼ | 5¼ | |
| Fr ofLoom | | 12 | 2750 | 32¾ | 32 | 32⅝ | |
| Garan | 0.80 | 9 | 21 | 32⅝ | 32½ | 32⅝ | +⅛ |
| Giant FdA | 0.70 | 16 | 480 | 25⅝ | 25 | 25¼ | -¼ |
| Glatfltr | 0.70 | 31 | 109 | 18⅞ | 18⅝ | 18¾ | -⅛ |
| Goldfield | | 11 | 50 | 9/16 | 9/16 | 9/16 | |
| Greenman | | 34 | 43 | 6¾ | 6⅝ | 6⅝ | |
| Gulf Cda | 0.34 | 2 | 186 | 3⅜ | 3 5/16 | 3⅜ | +⅛ |
| Hasbro | 0.24 | 15 | 5365 | 34¾ | 33⅞ | 34¼ | +⅝ |
| Health Ch | | 6 | 38 | 4⅛ | 4 | 4⅛ | |
| Healthvst | | 3 | 313 | 3½ | 3⅛ | 3¼ | |
| Heico Cp | 0.15 | 29 | z100 | 10¾ | 10¾ | 10¾ | |
| Hillhaven | | 12 | 879 | 3 15/16 | 3⅞ | 3 15/16 | |
| Horn&Hdt | | 82 | 360 | 4 13/16 | 4⅞ | 4 13/16 | |
| HvnarianA | | 21 | 271 | 15⅝ | 15½ | 15⅝ | +½ |
| ICH Corp | | 1 | 5118 | 7⅛ | 6¾ | 6⅞ | -¼ |
| InstronCp | 0.12 | 28 | 37 | 11½ | 11⅛ | 11½ | +¼ |
| Int. Comms | | 4 | 716 | 5½ | 5⅜ | 5½ | +⅛ |
| Intermagn | | 71 | 172 | 14½ | 14⅛ | 14¼ | -⅛ |
| Intermark | 0.12 | 0 | 159 | u½ | [illegible] | [illegible] | |
| InfTelchg | | 0 | 380 | ¼ | 7/32 | ¼ | |
| Ivax | 0.04 | 29 | 749 | u30¼ | 29⅛ | 29⅜ | -⅝ |
| Jan Bell | | 36 | 471 | 9⅞ | 9½ | 9⅞ | +⅜ |
| Ketema | | 21 | 33 | 13⅞ | 13¾ | 13⅞ | -⅛ |
| Kinark Cp | | 20 | 35 | 3⅞ | 3⅞ | 3⅞ | |
| Kirby Exp | | 32 | 539 | 21½ | 21¼ | 21½ | +⅛ |
| Laborge | | 12 | 16 | 1⅞ | 1⅞ | 1⅞ | -1/16 |
| Laser Ind | | 25 | 84 | 9 | 8⅞ | 9 | -¼ |
| Lee Pharm | | 18 | 200 | 1 13/16 | 1⅝ | 1 11/16 | -3/16 |
| Lionel Cp | | 0 | 240 | ⅛ | ⅛ | ⅛ | |
| Lumex Inc | | 12 | 31 | 9⅞ | 9¾ | 9¾ | -⅛ |
| Lynch Cp | | 7 | 4 | 23¼ | 22⅞ | 22⅞ | -¼ |
| Mater'lSc | | 24 | 645 | 23⅞ | 23⅝ | 23¾ | |
| Maxxam | | 4 | 132 | u41¾ | 39⅝ | 41¼ | +1¾ |
| Media A | 0.44 | 29 | 89 | 27¾ | 27⅛ | 27¾ | +½ |
| Mem Co | 0.20 | 3 | 75 | 4⅛ | 3⅞ | 4⅛ | |
| Moog A | | 12 | 7 | 8¼ | 8¼ | 8¼ | |
| MSR Expl | | 2 | 30 | ⅝ | ⅝ | ⅝ | |
| Nat Patnt | | 10 | 143 | 4 11/16 | 4 9/16 | 4⅝ | |
| New Line | | 35 | 306 | u26¼ | 25¾ | 25¾ | -⅜ |
| NY TmA | 0.56 | 85 | 1057 | 28⅜ | 28 | 28¼ | -⅛ |
| NthCanOil | 0.20 | 18 | 3 | 10 | 9⅞ | 9⅞ | |
| Numac O&G | | 82 | 15 | 6⅝ | 6⅝ | 6⅝ | |
| NV Ryan | | 1 | 1284 | 7/16 | ⅜ | ⅜ | |
| Odetics A | | 34 | 135 | 9¾ | 9¼ | 9¾ | |
| Olsten | 0.24 | 59 | 723 | 30¾ | 30¼ | 30⅜ | |
| Pegasus G | 0.40 | 132 | 698 | 24⅜ | 23⅞ | 23⅞ | -⅝ |
| Penn | 0.80 | 2 | 45 | 11¾ | 11½ | 11¾ | |
| Pet Ht&P | 1.88 | 27 | z100 | 20 | 20 | 20 | |
| Phil LD | 0.23 | 21 | 2648 | 77⅜ | 75 | 77¼ | +3 |
| Pittway A | 0.50 | 17 | 221 | 32⅛ | 31½ | 31⅝ | -½ |
| Ply Gem | 0.12 | 27 | 1908 | u20½ | 18⅞ | 20 | +⅞ |
| PMC | 0.95 | 17 | 118 | u15¼ | 15 | 15¼ | +¼ |
| PresidioA | 0.10 | 1 | 20 | 1 11/16 | 1 11/16 | 1 11/16 | +1/16 |
| RaganBrad | | 31 | 2 | 29½ | 29½ | 29½ | |
| RB&W Cp | | 3 | 25 | 6½ | 6½ | 6½ | +⅛ |
| RiedelEnv | | 4 | 3 | 2⅞ | 2 13/16 | 2 13/16 | +1/16 |
| SJW Corp | 2.04 | 12 | 3 | 39⅞ | 39¾ | 39⅞ | -⅛ |
| StrnUnion | | 28 | 298 | u33⅜ | 31¼ | 31¼ | -1⅜ |
| Sterl El | 0.04 | 14 | 330 | 11½ | 10⅞ | 11⅛ | -⅜ |
| TII Ind | | 23 | 23 | 3 5/16 | 3 5/16 | 3 5/16 | -1/16 |
| Tab Prods | 0.20 | 52 | 3 | 9½ | 9½ | 9½ | |
| Tel&Data | 0.34 | 59 | 438 | 48⅞ | 47⅞ | 48⅝ | -¼ |
| Thermedcs | | 70 | 364 | 14 | 13¼ | 14 | +½ |
| Thermolns | | 35 | 170 | 33¼ | 32⅝ | 32⅝ | -⅝ |
| TotPNA | 0.20 | 22 | 1245 | u13⅝ | 13 | 13⅝ | +⅞ |
| TownCntry | | 1 | 212 | 3⅛ | 3 | 3⅛ | +1/16 |
| Tubos Mex | | 18 | 2111 | 6 | 5½ | 5⅞ | +⅜ |
| UtdFoodsA | | 4 | 36 | 1⅞ | 1 13/16 | 1 13/16 | |
| UtdFoodsB | 0.20 | 93 | 10 | 1⅞ | 1⅞ | 1⅞ | |
| UnivPats | | 18 | 118 | 6⅝ | 6⅜ | 6½ | -⅛ |
| US Cellul | | 238 | 110 | 31 | 31 | 31 | -¼ |
| Weatherld | | 30 | 4322 | 10⅝ | 9⅝ | 10½ | +¾ |
| Westamer | 0.60 | 19 | 94 | 27⅜ | 27⅛ | 27⅜ | |
| WIRET | 1.12 | 18 | 184 | 12¾ | 12⅝ | 12¾ | |
| Worthen | 0.20 | 10 | 190 | 22½ | 21⅞ | 22½ | +¾ |
| Xytronix | | 7 | 158 | 7⅝ | 7⅜ | 7⅝ | |

AMERICA

# US reacts negatively to earnings reports

## Wall Street

US share prices slumped in late morning trading in New York yesterday in response to a succession of disappointing earnings announcements, having risen earlier in the day to touch new highs, *writes Richard Waters in New York.*

Shares of computer and drugs companies led the slide as leading companies in both sectors reported poor results, while banking stocks continued the sell-off which has followed a recent run-up in prices.

By lunchtime, the Dow Jones Industrial Average was down 4.50 at 3,865.79, having been 14 points higher at mid morning. The S&P 500 index also slipped after an early gain, trading 1.62 down by lunchtime at 472.63.

The bad news for computer stocks was delivered by Intel, the chip maker, which announced figures after the markets had closed on Tuesday, and Digital Equipment, which reported a loss of 53 cents a share in its most recent quarter and cautioned about the outlook for the first half of 1994. Digital's shares dropped $3½, to 32⅞, in volume of 1.7m shares, while Intel fell $3½ to $63⅞.

The weakness in technology stocks helped to depress the Nasdaq stock index, which has a higher weighting towards technology companies. The index dropped by around 3¼ to 789 by midday, down from a record high the previous day.

Drug stocks were battered after Pfizer, seen as one of the stars of the industry, reported a marked slowdown in sales in the final three months of 1993. Its shares fell $5⅝ to 62¼ on the news, dragging down other drug stocks in the process. Among the industry leaders, Merck fell $⅞ to $35⅝, while Bristol-Myers Squibb dropped $⅝ to $58⅞. Schering-Plough was amongst the biggest losers, falling $1⅞ to $64⅞.

Leading bank stocks added to the general gloom. Citicorp, despite its recent strong earnings announcement, fell to $40⅛, down $1⅛. Shares in BankAmerica, the only leading bank to announce figures yesterday, fell $1⅝ to $46⅛, as the US's second largest bank continued to feel the effects of the weak Californian economy.

These mark-downs came after a generally positive start to the day, helped by firmness in the government bond market. Nor did the position improve much at midday, as the Fed released its "beige book" report on the economy. This reported that economic activity was continuing to expand, with signs of an acceleration in some sectors. It added that there were few signs of a pick-up in inflation, underpinning the bond market's positive mood.

## Canada

Toronto stocks continued to climb into record territory in heavy midday action.

The TSE-300 composite gained 9.00 to 4,570.90 in turnover of 44.5m shares valued at C$625m.

Strong pipelines, media, forestry and transportation shares propped up soft precious metals stocks.

The pipeline sector leapt 116.23, or 2.8 per cent, to 4,290.36. TransCanada PipeLines shares rose C$⅝ to C$20 with 771,008 shares traded.

EUROPE

# Continent fuelled by rate cut optimism

Hopes for Europe-wide rate cuts coloured yesterday's trading, *writes Our Markets Staff.*

**FRANKFURT** pulled itself out of a downward path, helped by short-covering ahead of tomorrow's futures expiry and some speculation that the Bundesbank might reduce interest rates at its meeting today. However, most market commentators do not expect a move given the growth in M3.

The DAX index rose 20.54 to 2,134.38, almost recouping all of Tuesday's decline. In the post-bourse the Ibex index was little changed, while turnover settled at DM10bn.

The chemical sector came into play helped by a positive note issued recently by Nomura which forecast that BASF, Hoechst, Bayer and Degussa were "due a big year" given that "restructuring measures, which have been executed, mean that profits are highly leveraged to any improvements in volumes or prices".

Nomura added that the chemicals sector had started to outperform the DAX, but still lagged by an average of 5 per cent a year. Degussa rose DM13.50 to DM464.00, also helped by a buy note from Bank Julius Bär, BASF by DM5.10 to DM294.70, Hoechst by DM3.80 to DM304.30 and Bayer by DM6.70 to DM356.50.

**ZURICH** returned to record territory, helped by the strength of the dollar against the D-mark, the inflation outlook after good figures from Basle on Tuesday and the potential for lower interest rates. The SMI index rose 11.9 to 3,049.4.

Industrials led the gains. Sulzer certificates added SFr43 to SFr925 on the view that the issue had become cheap relative to the market.

Swissair, also viewed as a recent laggard, put on SFr20 to SFr860.

SMH continued to pick up after recent declines, adding SFr19 to SFr1,025 on renewed speculation about its Swatch car project. However, the company declined to comment on press speculation about a potential partner.

**AMSTERDAM** moved ahead helped by strength in neighbouring markets, with the AEX index rising 2.17 to 427.33.

KLM went up over 5 per cent, gaining Fl 2.30 to Fl 46.30, in reaction to news that it will maintain its 20 per cent stake in the ordinary share capital of Northwest Airlines through a share swap. Unexpectedly strong trade was also seen in Philips whose shares improved Fl 1.80 or 4 per cent to Fl 46.60.

**PARIS** captured the mood with a day's gain of 1.2 per cent in the CAC-40, closing 27.33 higher at 2,274.67.

Turnover was steady at FFr5bn. St Gobain went against the trend, down FFr6 at FFr624, ahead of preliminary 1993 figures today. Elf Aquitaine continued firm, up FFr10 to FFr418, with reports that Suez was seeking a stake in the oil group.

**MILAN** was little changed after the firm trend of the previous two sessions and the Comit index registered a dip of just 0.05 to 617.35.8.

Mr James Cornish of NatWest Securities, noted that with general elections set for March 27, market volatility was likely to increase as the implications of the current deep divisions of the centre-right became clearer.

He recommended using dips in the index to increase market weightings with a view to ending the election period with a 1.2 percentage point overweight position in Italy of 8.7 per cent in a European, ex-UK portfolio.

Industrials were in demand on hopes that they would lead recovery. CIR put on L49 to L1,920 and Fiat added L39 to L4,439 in spite of an eight hour strike against job cuts.

**MADRID** sprinted to a record close with investment funds playing a central role in pushing the market higher. The general index added 4.87 or 1.4 per cent to 343.23 in volume of Pta47bn. **STOCKHOLM** resumed its rally and the Affärsvärlden index rose 14.4 to a record 1,569.5.

Volvo B bucked the trend as profits were taken after their recent strong performance and ahead of the special shareholders's meeting later in the day. The shares finished SKr8 lower at SKr657, after a day's low of SKr638.

**COPENHAGEN** reacted modestly to the central bank's cut in interest rates, the KFX index up 0.99 to 116.16 in turnover of DKr1.6bn. The bank cut key rates by 0.25 percentage points to 5.75 per cent - the tenth reduction in five months.

**ATHENS** lost some 2 per cent as investors took profits after the market's steady upward rise in recent sessions. The general index closed down 24.48 at 1,170.10.

Written and edited by John Pitt and Michael Morgan

**FT-SE Actuaries Share Indices** — THE EUROPEAN SERIES

| Jan 19 — Hourly changes | Open | 10.30 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | Close |
|---|---|---|---|---|---|---|---|---|
| FT-SE Eurotrack 100 | 1496.41 | 1488.03 | 1489.67 | 1490.69 | 1489.95 | 1490.92 | 1489.47 | 1488.83 |
| FT-SE Eurotrack 200 | 1569.55 | 1569.87 | 1573.20 | 1573.06 | 1572.95 | 1573.05 | 1569.75 | 1570.42 |

| | Jan. 18 | Jan. 17 | Jan. 14 | Jan. 13 | Jan. 12 |
|---|---|---|---|---|---|
| FT-SE Eurotrack 100 | 1479.03 | 1474.05 | 1466.32 | 1458.82 | 1475.06 |
| FT-SE Eurotrack 200 | 1559.36 | 1552.53 | 1543.97 | 1534.54 | 1547.81 |

Base value 1000 (26/10/90); High/day: 100 - 1492.11, 200 - 1574.53 Low/day: 100 - 1488.41 200 - 1568.54.

**EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES**

| Market | No. of stocks | Dollar terms: Jan 14 1994 | Dollar terms: % Change over week | Dollar terms: % Change on Dec '92 | Local currency terms: Jan 14 1994 | Local currency terms: % Change over week | Local currency terms: % Change on Dec '92 |
|---|---|---|---|---|---|---|---|
| **Latin America** | | | | | | | |
| Argentina | (11) | 988.07 | -1.1 | +70.3 | 606,308.10 | -1.1 | +70.7 |
| Brazil | (42) | 283.95 | +3.7 | +127.1 | 149,740,957.3 | +14.0 | +7,080.3 |
| Chile | (20) | 593.60 | +1.9 | +41.8 | 1,023.34 | +1.8 | +59.8 |
| Colombia[1] | (8) | 674.64 | +0.5 | +58.7 | 979.56 | +1.2 | +80.2 |
| Mexico | (56) | 967.55 | -4.9 | +43.1 | 1,298.24 | -4.8 | +42.8 |
| Peru[2] | (7) | 123.08 | +3.0 | +23.1 | 163.70 | +2.7 | +63.7 |
| Venezuela[3] | (8) | 610.48 | -2.5 | +17.5 | 1,494.61 | -1.2 | +80.1 |
| **East Asia** | | | | | | | |
| China[4] | (16) | 142.66 | -1.0 | +42.7 | 156.81 | -1.0 | +56.8 |
| South Korea[5] | (130) | 117.23 | -2.5 | +19.4 | 124.96 | -2.7 | +22.8 |
| Philippines | (11) | 300.68 | -8.8 | +125.2 | 394.34 | -8.3 | +149.9 |
| Taiwan, China[6] | (76) | 126.50 | -8.9 | +71.5 | 125.75 | -8.2 | +80.5 |
| **South Asia** | | | | | | | |
| India[7] | (61) | 136.94 | +8.5 | +46.1 | 151.44 | +8.5 | +58.8 |
| Indonesia[8] | (31) | 124.48 | -3.9 | +112.1 | 141.88 | -4.5 | +115.7 |
| Malaysia | (61) | 293.09 | -9.0 | +79.2 | 295.77 | -5.3 | +87.4 |
| Pakistan[9] | (8) | 417.35 | +1.9 | +108.5 | 569.54 | +2.2 | +145.7 |
| Sri Lanka[10] | (5) | 187.58 | +5.3 | +87.6 | 202.49 | +5.3 | +102.5 |
| Thailand | (52) | 434.58 | -2.5 | +88.6 | 440.54 | -2.5 | +88.9 |
| **Euro/Mid East** | | | | | | | |
| Greece | (17) | 270.76 | +2.6 | +38.6 | 460.26 | +3.7 | +61.6 |
| Jordan | (5) | 170.80 | -0.7 | +46.2 | 248.06 | -0.7 | +49.7 |
| Portugal | (16) | 120.72 | +4.3 | +56.5 | 146.20 | +4.6 | +67.5 |
| Turkey[11] | (31) | 273.12 | +10.4 | +308.4 | 2,006.10 | +16.4 | +648.0 |
| Zimbabwe[12] | (5) | 296.74 | +10.0 | n.a. | 247.21 | +10.0 | n.a. |

*Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec 31 1992; (3)Jan 5 1990; (4)Dec 31 1992; (5)Jan 3 1992; (6)Jan 4 1991; (7)Nov 6 1992; (8)Sep 28 1990; (9)Mar 1 1991; (10)Dec 31 1992; (11)Aug 4 1989; (12)July 2 1993.*

ASIA PACIFIC

# Hopes for economic boost help Nikkei over 19,000

## Tokyo

Hopes of an imminent announcement of economic stimulus by the government supported sentiment, and late afternoon buying by foreign and domestic investors pushed the Nikkei average above the 19,000 level for the first time since November 2, *writes Emiko Terazono in Tokyo.*

The 225-issue index ended 524.85, or 2.8 per cent, ahead at 19,039.40 after a day's low of 18,515.65 and high of 19,118.81. The Topix index of all first section stocks advanced 29.76, or 1.9 per cent, to 1,541.15. In London the ISE/Nikkei 50 index rose 7.02 to 1,280.56.

The Nikkei faced small-lot profit-taking during the early morning. However, an overnight rise in the Nikkei futures on the Chicago Mercantile Exchange led the Osaka futures higher, triggering arbitrage buying. The underlying cash market rebounded on active demand by foreigners and domestic institutions, also spurring covering of short positions, especially in banks.

Volume was 400m shares, up from 285m. Rises overwhelmed declines by 933 to 136, with 102 issues unchanged.

The Tokyo Stock Exchange suspended Hanwa stocks after reports of the president's resignation. Market participants, however, said the suspension had little effect on the stock market. Hanwa, known for its extensive financial investments during the late 1980s, yesterday announced the resignation of Mr Shigeru Kita, its president. The TSE later declared that it would start an insider trading investigation on dealings in Hanwa shares, which have been moving erratically recently.

The expected passage of the political reform bill through the upper house encouraged hopes of the government's announcement of an economic stimulus package, and an income tax cut which has faced delays due to the political situation. Banks were higher in active trading. Sumitomo Bank gained Y90 at Y2,100 and Industrial Bank of Japan Y70 at Y2,970.

The rise in Nippon Telegraph and Telephone for the 15th consecutive day encouraged investors. The issue climbed Y5,000 to Y844,000.

Oki Electric rose Y24 to a new high of Y608, as did Sony, which advanced Y100 to Y5,930.

In Osaka, the OSE average added 313.02 at 20,914.02 in volume of 36.5m shares. Rohm, a semiconductor device maker, moved ahead Y110 to Y3,570 on active buying.

## Roundup

Pacific Rim markets moved in sharply divergent directions.

**HONG KONG** closed markedly higher amid optimism on bank results and Hong Kong Telecom's share price prospects.

The Hang Seng index finished 346.08, or 3.1 per cent, ahead at 11,363.77, off a late high of 11,400.39 as the vice-chairman of Nomura International, Mineo Murai, said Japanese investment in Hong Kong stocks was likely to rise in 1994 on the back of optimism over China's economic growth. Turnover remained moderate, at HK$8.42bn against Tuesday's adjusted HK$8.79bn.

**MANILA** surged 5.2 per cent on the strength of blue chips, which were boosted by gains in other Asian markets. The composite index added 151.31 at 3,062.28.

PLDT, $1¾ higher at $74¼ overnight in New York, appreciated 100 pesos to 2,180 pesos.

**TAIWAN** finished slightly higher after a late wave of buying focused on the heavily weighted financial sector. The weighted index, which opened easier and hit a low of 5,796, closed 33.90 ahead at 5,910.33.

Turnover, however, fell to T$70.94bn from Tuesday's T$98.83bn as many buyers remained cautious, unsure whether the market's downtrend had ended.

**AUSTRALIA** overcame early falls to close at a new post-1987 crash high as investors chased leading stocks. The advance was attributed to a shortage of scrip in a number of stocks and stronger overseas markets.

The All Ordinaries index, down 3.3 points in the morning, ended 16.1 up at 2,248.2.

**SEOUL** continued to rise on the back of healthy demand for blue chips, which have recovered nearly 70 per cent of the loss which followed government market-cooling steps last Friday. The composite stock index put on 14.10 at 887.16, but low-priced shares continued to tumble on worries of worsening liquidity.

**SINGAPORE** was nudged higher by selective institutional buying, but overall sentiment remains cautious after recent declines. The Straits Times Industrial index rose 22.89, or 1 per cent, to 2,303.30.

**JAKARTA** firmed in moderate trading as local investors focused on large-capitalisation stocks. The market index gained 3.98 at 595.99.

**BOMBAY** steadied in late trading after a 3.2 per cent fall during the official session as local investors and financial institutions continued selling and overseas funds cut back on buying. The BSE 30 index lost 125.11 at 3,825.91.

**KUALA LUMPUR** fell 2.6 per cent in thin trade as investors remained wary after the recent volatility. The composite index shed 28.44 to 1,081.78.

**BANGKOK** weakened 1.2 per cent in thin trading as profit-taking more than wiped out early gains, with local funds hesitant to adopt new strategies while foreign institutional funds continue to sell. The SET index dipped 17.29 to 1,459.74 in modest turnover of Bt11.99bn.

**SHANGHAI** A shares finished sharply lower and brokers predicted that the slide would continue as institutions bailed out of the market. The A index dropped 27.64 to 825.60 in a market driven by more rumours than usual: it was even suggested that stock exchange president Wei Wenyunn was about to submit his resignation.

# Foreigners return to South Africa

By Matthew Curtin

Foreigners have been returning to South African equities: net sellers in 1992, last year they were net buyers of R2.8bn ($830m), R570m worth in December alone.

Overall, investors bought and sold more than 690m shares in the month, compared with only 211m in December 1992. US-led foreign purchases took off early in 1993, but trade in blue chips accelerated in October after sanctions were lifted. That became a deluge in December, driving share prices to unheard of levels.

On January 4 the JSE recorded one of its largest single day gains. The overall share index jumped 179 points to breach the 5,000 level for the first time. The market has settled in the past 10 days amid profit-taking and wobbly gold prices. The overall closed yesterday down 31 at 4,821, golds off 24 at 2,066 and industrials 6 down at 5,446.

Still, the dividend yield on the industrial and overall indices remain at 25-year lows of 2.1 and 2.3 per cent respectively.

What sets the JSE apart is the "pressure-cooker" influence of exchange control regulations, re-imposed in 1985. The South African Reserve Bank requires overseas investors to buy shares, or gilts, using the financial rand, the foreign investment unit which has traded at a 14 to 30 per cent discount to the commercial rand in the past year. They have the bonus of being able to remit dividends at the commercial rate, automatically improving the dividend yield on a share portfolio.

For years the finrand discount has made South African gilts particularly attractive for foreigners, but now equities are benefiting too. "There is effectively a double market in equities," says Mr Richard Jesse, a director at stockbrokers Martin & Co. He says foreign investors calculate value at one level, and local investors at another.

Exchange control also dams up domestic capital. Mr Rian le Roux, senior economist at insurance group Old Mutual - the JSE's biggest institutional investor - says it seems institutions, proscribed from investing abroad, found themselves relatively underweight in equities as the bull run began. Given that the JSE is so thinly traded - turnover rose to 7 per cent last year from 4 per cent in 1992 - share prices received "a double whammy" thanks to new foreign and increased local institutional buying.

Of some solace to local investors stunned by these share ratings is consensus that the economy is heading for slow but steady growth in 1994 after pulling out of recession in the third quarter last year. Leading industrial companies emerged from the four-year recession with strong cash balances, excess capacity, and costs trimmed in a period of relatively quiet labour relations.

Stockbrokers predict earnings growth of at least 15 per cent in 1994.

However, the slippage in share prices recently shows that sentiment remains edgy, with worries that US fund managers can withdraw what is for them relatively small investment in the JSE as quickly as they made it.

**FT-ACTUARIES WORLD INDICES**

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

| NATIONAL AND REGIONAL MARKETS — Figures in parentheses show number of lines of stock | Tue Jan 18 1994: US Dollar Index | Day's Change % | Pound Sterling Index | Yen Index | DM Index | Local Currency Index | Local % chg on day | Gross Div. Yield | Mon Jan 17 1994: US Dollar Index | Pound Sterling Index | Yen Index | DM Index | Local Currency Index | Dollar Index: 1993/94 High | 1993/94 Low | Year ago (approx) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia (69) | 175.03 | -0.1 | 173.32 | 122.53 | 159.13 | 167.07 | -0.2 | 3.08 | 175.18 | 174.10 | 123.00 | 159.86 | 167.38 | 175.18 | 118.12 | 120.99 |
| Austria (17) | 190.28 | 0.5 | 188.42 | 133.21 | 172.99 | 172.86 | 0.2 | 0.92 | 189.29 | 188.12 | 132.91 | 172.74 | 172.45 | 190.78 | 132.34 | 132.34 |
| Belgium (42) | 162.96 | 1.2 | 161.37 | 114.08 | 148.15 | 146.14 | 0.8 | 3.93 | 160.98 | 159.99 | 113.03 | 146.91 | 145.00 | 166.01 | 134.17 | 134.17 |
| Canada (107) | 144.15 | 0.6 | 142.74 | 100.92 | 131.05 | 137.35 | 0.3 | 2.44 | 143.25 | 142.36 | 100.58 | 130.72 | 136.90 | 144.15 | 111.41 | 113.02 |
| Denmark (32) | 267.82 | 1.2 | 265.20 | 187.49 | 243.48 | 246.91 | 1.0 | 0.92 | 264.59 | 262.96 | 185.78 | 241.45 | 244.55 | 267.82 | 195.66 | 197.86 |
| Finland (22) | 144.17 | 0.1 | 142.77 | 100.93 | 131.07 | 171.52 | -0.2 | 0.60 | 144.03 | 143.14 | 101.13 | 131.44 | 171.89 | 144.17 | 66.50 | 71.41 |
| France (99) | 175.76 | 1.0 | 174.04 | 123.04 | 159.78 | 163.56 | 0.6 | 2.84 | 174.01 | 172.94 | 122.18 | 158.80 | 162.53 | 182.15 | 142.90 | 148.44 |
| Germany (59) | 130.68 | -0.6 | 129.41 | 91.49 | 118.81 | 118.81 | -1.0 | 1.76 | 131.49 | 130.68 | 92.33 | 119.99 | 119.99 | 142.38 | 105.56 | 106.29 |
| Hong Kong (56) | 451.97 | 1.7 | 447.56 | 316.41 | 410.91 | 448.29 | 1.7 | 2.43 | 444.49 | 441.74 | 312.10 | 405.63 | 440.83 | 506.56 | 225.77 | 235.87 |
| Ireland (14) | 204.72 | 0.8 | 202.72 | 143.32 | 186.12 | 201.28 | 0.3 | 2.82 | 203.13 | 201.88 | 142.63 | 185.37 | 200.70 | 204.72 | 129.29 | 142.34 |
| Italy (68) | 68.37 | -0.6 | 67.70 | 47.86 | 62.16 | 86.82 | -0.8 | 1.89 | 68.72 | 68.30 | 48.25 | 62.71 | 87.53 | 78.93 | 55.21 | 58.86 |
| Japan (469) | 136.78 | -0.1 | 135.44 | 95.75 | 124.35 | 95.75 | -0.4 | 0.85 | 136.91 | 136.07 | 96.13 | 124.94 | 96.13 | 165.91 | 100.97 | 101.08 |
| Malaysia (69) | 505.37 | 1.0 | 500.45 | 353.80 | 459.46 | 531.38 | 0.9 | 1.37 | 500.59 | 497.50 | 351.49 | 456.83 | 526.81 | 621.63 | 258.19 | 259.86 |
| Mexico (18) | 2312.05 | 1.1 | 2289.47 | 1618.58 | 2101.94 | 7849.05 | 1.0 | 0.65 | 2287.54 | 2273.40 | 1606.19 | 2087.51 | 7789.60 | 2457.89 | 1410.30 | 1646.43 |
| Netherland (26) | 202.71 | 1.0 | 200.73 | 141.91 | 184.29 | 181.12 | 0.7 | 2.93 | 200.62 | 199.38 | 140.87 | 183.08 | 179.86 | 203.69 | 153.15 | 153.40 |
| New Zealand (14) | 69.87 | 1.1 | 69.19 | 48.91 | 63.52 | 65.84 | 0.3 | 3.56 | 69.11 | 68.69 | 48.53 | 63.07 | 65.63 | 70.27 | 40.56 | 41.77 |
| Norway (23) | 192.65 | 0.9 | 190.77 | 134.87 | 175.14 | 196.51 | 0.5 | 1.29 | 190.87 | 189.69 | 134.02 | 174.18 | 195.52 | 192.65 | 138.48 | 144.89 |
| Singapore (45) | 338.51 | -0.3 | 335.21 | 236.98 | 307.76 | 250.97 | -0.3 | 1.65 | 339.45 | 337.36 | 238.35 | 309.78 | 251.68 | 378.92 | 209.97 | 210.68 |
| South Africa (60) | 262.04 | -1.6 | 259.48 | 183.44 | 238.22 | 249.14 | -0.4 | 2.27 | 266.18 | 264.53 | 186.90 | 242.90 | 250.17 | 280.26 | 153.88 | 157.24 |
| Spain (42) | 144.85 | 1.6 | 143.43 | 101.40 | 131.68 | 156.23 | 0.6 | 3.84 | 142.59 | 141.71 | 100.12 | 130.12 | 155.33 | 145.24 | 116.33 | 126.14 |
| Sweden (36) | 218.87 | 0.2 | 216.73 | 153.22 | 198.98 | 262.24 | -0.2 | 1.33 | 218.41 | 217.07 | 153.36 | 199.32 | 262.78 | 218.87 | 149.69 | 162.59 |
| Switzerland (49) | 166.88 | 1.8 | 165.25 | 116.83 | 151.71 | 151.76 | 0.9 | 1.42 | 163.86 | 162.85 | 115.05 | 149.53 | 150.40 | 166.88 | 109.14 | 112.27 |
| United Kingdom (215) | 210.59 | 1.3 | 208.53 | 147.43 | 191.48 | 208.53 | 1.0 | 3.45 | 207.84 | 206.55 | 145.93 | 189.67 | 206.55 | 210.59 | 162.00 | 172.24 |
| USA (518) | 192.71 | 0.1 | 190.82 | 134.91 | 175.19 | 192.71 | 0.1 | 2.70 | 192.44 | 191.25 | 135.12 | 175.61 | 192.44 | 193.24 | 178.29 | 178.57 |
| EUROPE (744) | 171.98 | 0.9 | 170.30 | 120.40 | 156.35 | 166.54 | 0.5 | 2.73 | 170.40 | 169.35 | 119.65 | 155.50 | 166.74 | 172.87 | 134.16 | 137.57 |
| Nordic (113) | 210.58 | 0.5 | 208.52 | 147.42 | 191.44 | 218.98 | 0.1 | 1.13 | 209.59 | 208.29 | 147.16 | 191.26 | 219.75 | 210.58 | 142.13 | 149.59 |
| Pacific Basin (722) | 149.53 | 0.1 | 148.07 | 104.68 | 135.94 | 108.22 | -0.2 | 1.13 | 149.42 | 148.50 | 104.92 | 136.36 | 108.42 | 168.80 | 106.17 | 106.28 |
| Euro-Pacific (1466) | 158.72 | 0.5 | 157.17 | 111.11 | 144.29 | 130.57 | 0.1 | 1.85 | 158.00 | 157.02 | 110.94 | 144.18 | 130.43 | 162.87 | 118.78 | 118.95 |
| North America (625) | 189.68 | 0.2 | 187.82 | 132.79 | 172.44 | 188.87 | 0.1 | 2.69 | 189.38 | 188.20 | 132.97 | 172.82 | 188.59 | 190.01 | 172.67 | 174.52 |
| Europe Ex. UK (529) | 148.31 | 0.7 | 146.86 | 103.82 | 134.83 | 142.17 | 0.2 | 2.25 | 147.34 | 146.43 | 103.45 | 134.45 | 141.94 | 150.17 | 115.10 | 116.72 |
| Pacific Ex. Japan (253) | 271.33 | 0.9 | 268.68 | 189.95 | 246.68 | 251.31 | 0.8 | 2.41 | 269.00 | 267.35 | 188.88 | 245.49 | 249.32 | 296.21 | 155.37 | 157.21 |
| World Ex. US (1651) | 160.91 | 0.4 | 159.34 | 112.65 | 146.29 | 133.93 | 0.1 | 1.86 | 160.22 | 159.23 | 112.50 | 146.21 | 133.76 | 162.80 | 119.91 | 120.14 |
| World Ex. UK (1954) | 166.69 | 0.2 | 165.06 | 116.69 | 151.54 | 146.92 | 0.0 | 2.02 | 166.35 | 165.32 | 116.80 | 151.80 | 146.86 | 168.67 | 135.50 | 135.74 |
| World Ex. So. Af. (2109) | 169.95 | 0.3 | 169.29 | 118.98 | 154.51 | 151.43 | 0.1 | 2.17 | 169.37 | 168.32 | 118.92 | 154.56 | 151.22 | 170.47 | 138.53 | 138.88 |
| World Ex. Japan (1700) | 189.85 | 0.5 | 188.00 | 132.91 | 172.60 | 186.12 | 0.3 | 2.85 | 188.96 | 187.79 | 132.68 | 172.44 | 185.63 | 191.28 | 159.32 | 160.13 |
| The World Index (2169) | 170.50 | 0.3 | 168.84 | 119.36 | 155.01 | 152.22 | 0.1 | 2.17 | 169.96 | 168.91 | 119.34 | 155.10 | 152.02 | 170.77 | 138.53 | 136.90 |


Latest prices were unavailable for this edition.

FINANCIAL TIMES

# FT500

● Europe's Top 500 companies by market capitalisation

● The Top UK 500 ● The Top 100 US and Japanese companies

● Biggest rises and falls in profit ● Country analyses


January 1994

# Roche sets the pace for the FT500

**Peter Martin examines some of the unique qualities of the annual rankings and finds that they are essentially forward looking, reflecting the markets' best guess about the future performance of companies**

There is a striking change near the top of this year's FT500: the rise of Roche, the Swiss pharmaceuticals group, from sixth to third place. The number of places risen is not so remarkable; what stands out is the sheer size of Roche's market capitalisation. At $35.7bn, it is only $5bn behind that of British Telecommunications, the UK's dominant phone company.

Investors value Roche at four times its total revenues, but they are prepared to offer BT only a multiple of two. And you could in theory buy all the shares of the Netherlands and British companies that make up Unilever, fifth in the FT500, for less than a single year of the consumer product group's revenues.

Behind the Roche story lie some of the FT500's unique aspects. Because the annual ranking is based on market capitalisation, it offers a way of comparing companies from different countries and different industries, regardless of the gaps between their accounting conventions. Because it takes the value that investors place upon a company, the ranking changes from year to year as profit outlooks and investment attitudes change. And because that value depends in large part on investors' expectations about companies' profits growth, the FT500 is essentially forward looking, reflecting the markets' best guess about the future performance of companies, their industries, and the domestic economies to which they are exposed.

Roche illustrates the way these factors change from year to year. Pharmaceuticals companies in general have had a rough time: Glaxo Holdings, last year the third-ranked company in the FT500, has fallen to seventh place; SmithKline Beecham has dropped from 11 to 23, Wellcome from 29 to 59. These are British companies, but outside the UK, there are similar stories. Elf Sanofi, controlled by France's state-owned Elf-Aquitaine oil giant, has fallen from 112 to 152; Novo Nordisk, Denmark's world leader in synthetic insulin, from 105 to 203.

Though the profits of the industry have held up well throughout the recession – among FT500 sectors with more than a handful of companies, drugs is by far the most profitable in terms of return on capital employed – the stock markets have decided that the writing is on the wall. Downward pressure on prices, through formal government controls or a growing reluctance of insurers to meet ever-rising prescription bills, is seen as inevitable around the world. The past year has brought not merely the Clinton health proposals in the US, which aim to hold down healthcare costs by strengthening the market power of purchasers against that of providers, but also a government-induced squeeze on the German drugs market and, in the past months, tighter controls on Italian prescriptions.

This growing doubt about future profits growth has dragged down pharmaceuticals companies' share prices around the world. But Roche has remained immune. In its favour are not only a sparkling operating performance – profits are up 31 per cent – but also a number of other factors that run throughout this year's FT500.

First, since Roche is a Swiss company, the relative value of its shares has benefited from last year's European devaluations. Though these have been smaller than those of 1992, they have nonetheless raised the value of shares denominated in hard currencies, such as the D-Mark and the Swiss franc, against those in weaker varieties. Second, one factor behind the rise in Roche's market capitalisation over the past few years was a big rights issue in 1991. The willingness of continental companies to tap the international capital markets for new equity has greatly increased in recent years, a trend accelerated by Germany's shift from net exporter of capital to net importer.

Third, in order to tap those markets continental companies have had to offer international investors Anglo-Saxon standards of accounting disclosure. The rush towards frankness has been most noticeable in Switzerland, but last year also saw a big step forward in Germany, when Daimler-Benz (number 14 in the FT500) had to agree to report its accounts under US Generally Accepted Accounting Principles before the Securities and Exchange Commission would allow it to list on the New York Stock Exchange.

Swiss analysts believe that the greater transparency of accounting principles among big companies there is enhancing the value of their shares. Both Roche's ascent to third place and the rise of Union Bank of Switzerland from 25 to 15 (making it Europe's third most valuable bank) owe something to these two companies' more transparent accounts as well as to the skills of their respective researchers and financial experts.

For Europe as a whole, 1993 was a year of healthy stock market performance, with most leading markets reporting rises of around a quarter, and German shares leaping by nearly half. Because of the FT500's cut-off date of September 30, however, the headiest months of the year, in the final quarter, do not show up in the rankings.

The outperformance of the German stock market was heavily concentrated in the closing months of the year, which partly, though not entirely, explains why the biggest German companies turned in a lacklustre performance in this year's FT500. Siemens slipped from 8th to 10th; Deutsche Bank from 10th to 12th. The big German chemicals companies did not sparkle: Bayer's ranking was unchanged, Hoechst and BASF both fell.

With a couple of exceptions, British companies also had an unremarkable year. The best-performing big British company was HSBC Holdings, the parent of the Hongkong and Shanghai Bank and Britain's Midland Bank, which moved from 19th to 8th, making it Europe's most valuable bank. This was the year that HSBC became a true-blue British company, as it brought itself fully within the UK tax net. But Hongkong still accounts for the lion's share of the group's profits.

BTR overtook Hanson and now, at number 16, it is rubbing shoulders with Daimler-Benz (14) a company four times larger in terms of sales and employees.

French companies have always been under-represented at the top levels of the FT500, because so many big French businesses are state-owned. Last year's election of a centre-right government committed to large-scale privatisation will shortly make that cliché obsolete, and the first signs are evident in this year's rankings. In at number 79 comes Rhône Poulenc, which took a stock exchange listing for its ordinary shares in January 1993. Next year's list will count several more, including Banque Nationale de Paris.

A similar pattern can be expected elsewhere in Europe. Italy's coming wave of privatisations has not yet made an impact on the FT500, but Spain's Argentaria, a merger of state-owned banks, obtained a stock market listing in May, entering the rankings at number 107.

Among this year's casualties are several takeover victims. Freia Marabou, the Norwegian chocolate maker, succumbed to a bid from Philip Morris of the US, and Germany's Hoesch steel firm surrendered its independence to Fried. Krupp (joining the FT500 at 340). Au Printemps, the Paris department store, was taken over by the Pinault investment group (303); and Ranks Hovis McDougall of the UK succumbed to Tomkins, the conglomerate (130).

Two friendly mergers united companies already well-placed in the rankings. In publishing, the UK's Reed (63 last year) got together with the Netherlands' Elsevier (100 last year) to form a new group ranked 41st. In France, Matra's merger with Hachette created a curious hybrid of media group and defence contractor, ranked 235.

Finally, the year was marked by the welcome return to something like their previous stature of fallen angels such as Italy's Olivetti, back in the list at 363, and Sweden's big two banks. Skandinaviska Enskilda Banken returned at number 199 after its shares slid so badly during Sweden's banking crisis that it disappeared from last year's list altogether. Svenska Handelsbanken, which stayed in the rankings by the skin of its teeth last year, recorded the biggest rise of any European company, up 242 places to 223. And British Aerospace, another near victim last year, jumped 167 places to 272.

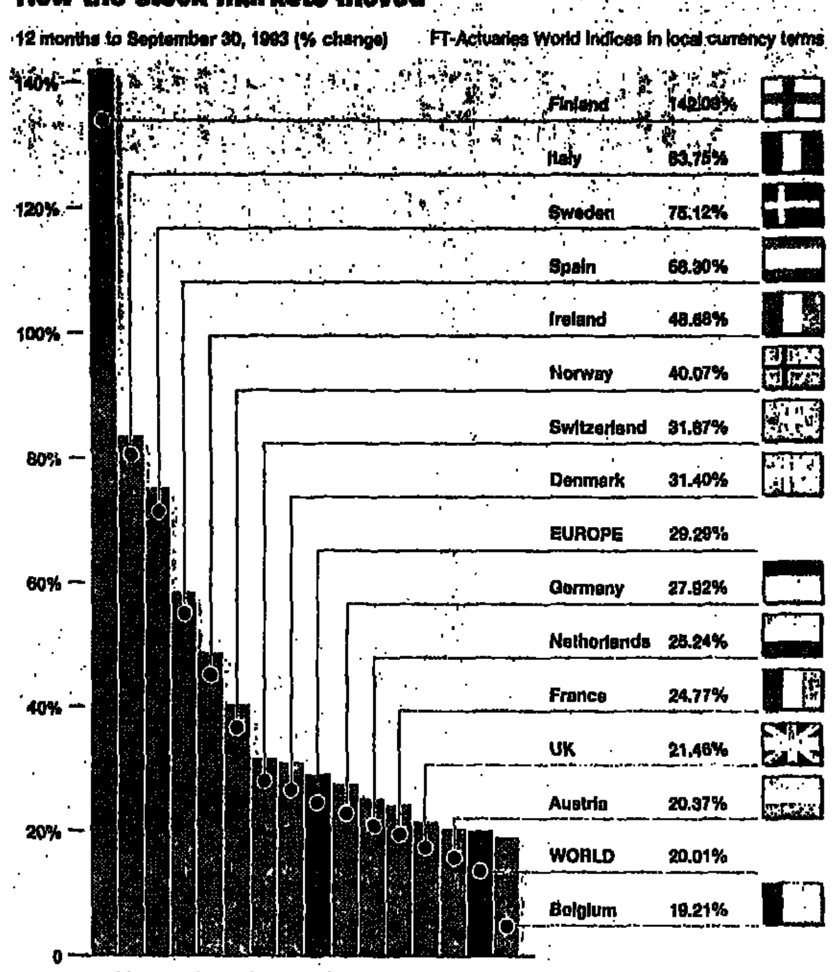
**■ $ Exchange rates***

| Currency | 1993 | 1992 | % chge |
|---|---|---|---|
| Austrian Schilling | 11.3880 | 10.4540 | -8.93 |
| Belgian Franc | 34.8100 | 30.6000 | -13.76 |
| Danish Kroner | 6.6304 | 5.7323 | -15.67 |
| Finnish Markka | 5.7780 | 4.7137 | -22.58 |
| French Franc | 5.6684 | 5.0408 | -12.45 |
| German Mark | 1.6204 | 1.486 | -9.04 |
| Irish Punt | 0.69578 | 0.56627 | -23.09 |
| Italian Lira | 1568.9300 | 1310.7300 | -19.70 |
| Japanese Yen | 105.4600 | 0 | 0.00 |
| Luxembourg Franc | 34.8100 | 30.6000 | -13.76 |
| Netherlands Guilder | 1.8198 | 1.6727 | -8.79 |
| Norwegian Kroner | 7.0736 | 6.0597 | -16.73 |
| Portuguese Escudo | 166.1400 | 132.2100 | -25.66 |
| Spanish Peseta | 130.5500 | 105.8500 | -23.33 |
| Swedish Kronor | 8.0069 | 5.6028 | -42.91 |
| Swiss Franc | 1.4162 | 1.3192 | -7.35 |
| UK Sterling | 0.6558 | 0.6051 | -8.35 |

*October 1992 and September 1993 monthly averages

**How the stock markets moved**

12 months to September 30, 1993 (% change) FT-Actuaries World Indices in local currency terms

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## IN THIS ISSUE



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**■ UK TOP 500: market capitalisation by sector**

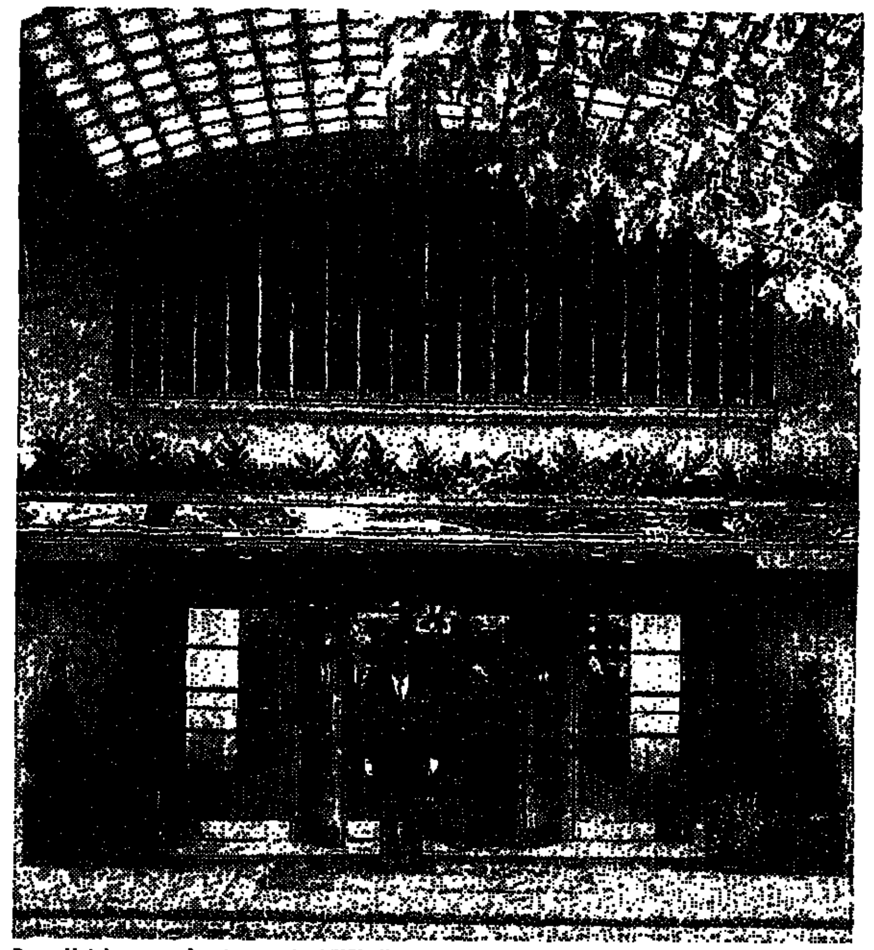
| Sector | Cos | £m | Sector | Cos | £m | Sector | Cos | £m |
|---|---|---|---|---|---|---|---|---|
| Commercial banks | 9 | 57577.9 | Publishers inc newspapers | 11 | 12897.9 | Auto parts, tyre & rubber | 7 | 4105.3 |
| Drugs | 13 | 45041.8 | Property | 25 | 12858.1 | Aerospace - defence & manufact | 5 | 4067.5 |
| Oil - International, crude producer | 9 | 44192.0 | Mining & extractive industries | 6 | 12179.6 | Paper & paper products | 7 | 3751.5 |
| Telephone companies | 3 | 41603.5 | Electrical equipment | 5 | 12093.8 | Restaurants & hotels | 5 | 3075.4 |
| Beverages & tobacco | 21 | 38401.7 | Entertainment & leisure | 9 | 12051.4 | Business servs & computer software | 9 | 2818.2 |
| Electric & water utilities | 28 | 38284.3 | Machinery (composite) | 32 | 10987.0 | Forestry products | 2 | 2355.8 |
| Diversified holding companies | 10 | 35266.4 | Broadcasting media | 6 | 9221.3 | Homebuilding | 7 | 2035.5 |
| Retail - grocery chains | 12 | 24753.6 | Retail - speciality | 14 | 6154.4 | Oil - petroleum products | 2 | 1916.4 |
| Retail - dept store gen merchandise | 9 | 24693.4 | Financial institutions | 10 | 6062.6 | Wholesale - nondurables | 2 | 1551.3 |
| Food processors | 18 | 24288.2 | Electronics & instrumentation | 23 | 5957.5 | Printing | 6 | 1080.5 |
| Diversified industrial manu | 17 | 20919.4 | Household durables & consumer goods | 15 | 5726.7 | Advertising | 3 | 995.3 |
| Transport - storage & warehousing | 17 | 17120.1 | Financial services | 14 | 5660.5 | Heavy shipbuilding & engineering | 3 | 845.8 |
| Insurance - life, agents & brokers | 13 | 16426.4 | Construction | 13 | 5532.8 | Communications & office equipment | 2 | 659.6 |
| Construction & Building materials | 22 | 16163.9 | Health care & cosmetics | 5 | 4785.2 | Investment companies | 1 | 451.8 |
| Natural gas utilities | 1 | 14201.5 | Fabricated metal prods & containers | 6 | 4400.1 | Automobiles | 2 | 228.0 |
| Insurance - multiline & property | 8 | 14117.1 | Apparel & textile producers | 14 | 4169.3 | | | |
| Chemicals - diversified | 13 | 13846.3 | Chemicals | 6 | 4128.0 | | | |

**■ Most profitable companies**

| | Company | UK500 Rank | ROCE |
|---|---|---|---|
| 1 | Emap | 187 | 317.7 |
| 2 | Misys | 347 | 293.5 |
| 3 | Sage Group | 498 | 198.4 |
| 4 | Anglian Group | 277 | 190.9 |
| 5 | Park Food Group | 434 | 181.9 |
| 6 | ACT Group | 255 | 129.0 |
| 7 | Danka Business Systems | 231 | 83.0 |
| 8 | Carpetright | 393 | 81.9 |
| 9 | Rentokil Group | 71 | 80.3 |
| 10 | Betterware | 335 | 78.3 |
| 11 | Macro 4 | 395 | 76.5 |
| 12 | Micro Focus Group | 305 | 72.0 |
| 13 | Transfer Technology Group | 490 | 69.7 |
| 14 | Vodafone | 29 | 69.3 |
| 15 | Brown (David) Group | 445 | 65.3 |
| 16 | Medeva | 280 | 65.1 |
| 17 | Bick | 454 | 64.8 |
| 18 | WPP Group | 199 | 64.5 |
| 19 | Trinity | 459 | 58.9 |
| 20 | Cowie (T.) | 243 | 55.4 |
| 21 | Huntleigh Technology | 427 | 55.3 |
| 22 | Charter | 211 | 54.5 |
| 23 | Claremont Garments (Hdngs) | 417 | 54.2 |
| 24 | Central Independent TV | 197 | 54.1 |
| 25 | Northern Foods | 105 | 51.4 |

**■ Least profitable companies**

| | Company | UK500 Rank | ROCE |
|---|---|---|---|
| 1 | Westbury | 465 | 0.2 |
| 2 | Savoy Hotel | 284 | 0.2 |
| 3 | Associated British Ports | 159 | 0.3 |
| 4 | Barclays | 18 | 0.7 |
| 5 | Trafalgar House | 126 | 2.2 |
| 6 | Carlton Communications | 101 | 2.2 |
| 7 | Cathay International Holdings | 401 | 3.0 |
| 8 | BET | 116 | 3.1 |
| 9 | St James's Place Capital | 226 | 3.7 |
| 10 | British Petroleum | 5 | 3.9 |
| 11 | Burton Group | 135 | 4.2 |
| 12 | Ashley (Laura) Holdings | 340 | 4.5 |
| 13 | Storehouse | 151 | 4.6 |
| 14 | Monument Oil and Gas | 246 | 4.6 |
| 15 | Ladbroke Group | 67 | 4.9 |
| 16 | McAlpine (Alfred) | 438 | 5.2 |
| 17 | Stakis | 314 | 5.3 |
| 18 | Warner Estate Holdings | 437 | 5.4 |
| 19 | Slough Estates | 142 | 5.4 |
| 20 | Lep Group | 499 | 5.5 |
| 21 | Bardon | 312 | 5.5 |
| 22 | Singer & Friedlander Group | 396 | 5.9 |
| 23 | Pilkington | 123 | 5.9 |
| 24 | Christies International | 263 | 6.0 |
| 25 | Billon | 284 | 6.0 |



Savoy Hotel was number two on the UK500 list of least profitable companies

**■ UK Top 500: profitability by sector**

| Sector | Cos | Roce | Sector | Cos | Roce |
|---|---|---|---|---|---|
| Advertising | 2 | 49.2 | Beverages & tobacco | 21 | 17.3 |
| Drugs | 10 | 33.8 | Apparel & textile producers | 14 | 17.3 |
| Business services & computer software | 8 | 33.4 | Aerospace – defence, aircraft manufacture | 3 | 17.3 |
| Health care & cosmetics | 5 | 27.1 | Communications & office equipment | 2 | 17.2 |
| Household durables & consumer goods | 14 | 25.9 | Heavy shipbuilding & engineering | 3 | 16.8 |
| Forestry products | 2 | 25.9 | Financial institutions | 9 | 16.2 |
| Automobiles | 2 | 25.6 | Wholesale-nondurables | 2 | 15.5 |
| Publishers inc newspapers | 10 | 22.5 | Auto parts, tyre & rubber | 7 | 15.4 |
| Fabricated metal products & containers | 6 | 21.8 | Financial services | 11 | 14.9 |
| Diversified industrial manufacturing | 17 | 21.6 | Construction & building materials | 21 | 13.8 |
| Food processors | 15 | 21.1 | Mining & extractive industries | 3 | 13.2 |
| Printing | 5 | 20.5 | Paper & paper products | 7 | 12.9 |
| Chemicals-diversified | 12 | 20.1 | Transport, storage & warehousing | 16 | 12.2 |
| Electrical equipment | 5 | 19.7 | Entertainment & leisure | 9 | 11.9 |
| Chemicals | 6 | 19.5 | Natural gas utilities | 1 | 11.3 |
| Machinery (Composite) | 31 | 19.4 | Diversified holding companies | 10 | 10.8 |
| Retail-grocery chains | 12 | 19.3 | Construction | 7 | 9.1 |
| Retail-speciality | 14 | 19.1 | Homebuilding | 7 | 9.1 |
| Electronics & instrumentation | 22 | 19.0 | Broadcasting media | 6 | 9.1 |
| Retail-dept store & general merchandise | 8 | 18.7 | Restaurants & hotels | 5 | 8.3 |
| Telephone companies | 3 | 18.3 | Investment companies | 1 | 7.5 |
| Electric & water utilities | 28 | 18.1 | Property | 22 | 7.3 |
| Oil-petroleum products | 2 | 18.0 | Oil-internationals & crude producers | 6 | 4.6 |
| Commercial banks | 9 | 17.7 | | | |

Buoyancy in the magazine market has boosted Emap's profitability

**■ European Top 500 – sector profitability**

| Sector | Cos | ROCE | Sector | Cos | ROCE |
|---|---|---|---|---|---|
| Aerospace-defence, aircraft manufacture | 1 | 30.2 | Construction & building materials | 17 | 13.1 |
| Drugs | 15 | 26.9 | Heavy shipbuilding & engineering | 1 | 12.8 |
| Business services & computer software | 3 | 25.4 | Entertainment & leisure | 4 | 12.2 |
| Advertising | 1 | 23.9 | Chemicals - diversified | 19 | 11.9 |
| Health care & cosmetics | 5 | 23.7 | Electric & water utilities | 45 | 11.6 |
| Food Processors | 20 | 22.6 | Natural gas utilities | 3 | 11.1 |
| Fabricated metal products & containers | 4 | 21.6 | Paper & paper products | 6 | 10.4 |
| Publishers incl newspapers | 9 | 20.0 | Telephone companies | 6 | 10.3 |
| Retail - grocery chains | 14 | 19.5 | Oil internationals & crude producers | 9 | 10.3 |
| Diversified industrial manufacturing | 10 | 18.6 | Restaurants & hotels | 2 | 9.6 |
| Beverages & tobacco | 14 | 17.8 | Electrical equipment | 8 | 9.6 |
| Retail - speciality | 6 | 17.6 | Oil – petroleum products | 3 | 9.5 |
| Apparel & textile producers | 1 | 17.6 | Auto parts, tyre and rubber | 7 | 9.2 |
| Chemicals | 4 | 16.3 | Diversified holding companies | 20 | 9.0 |
| Retail-dept store, general merchandise | 16 | 15.6 | Construction | 9 | 8.9 |
| Commercial Banks | 51 | 15.0 | Forestry products | 3 | 8.3 |
| Electronics & instrumentation | 6 | 14.9 | Mining & extractive industries | 12 | 8.3 |
| Wholesale - nondurables | 1 | 14.3 | Machinery (composite) | 13 | 8.2 |
| Financial Services | 8 | 14.3 | Transport, storage & warehousing | 12 | 8.0 |
| Household durables & consumer goods | 7 | 14.1 | Automobiles | 6 | 7.6 |
| Communications & office equipment | 4 | 14.0 | Property | 9 | 7.5 |
| Financial institutions | 10 | 13.9 | Investment companies | 2 | 3.9 |
| Broadcasting media | 5 | 13.1 | | | |

**■ European Top 500: market capitalisation by sector**

| Company | Cos | $m | Company | Cos | $m |
|---|---|---|---|---|---|
| Commercial Banks | 59 | 312352.1 | Health care & cosmetics | 5 | 21129.5 |
| Insurance/Multiline/Property | 36 | 174682.3 | Property | 9 | 20762.5 |
| Oil Internationals/Crude Producers | 10 | 169364.8 | Construction | 12 | 20401.3 |
| Electric & Water Utilities | 45 | 134368.7 | Broadcasting media | 6 | 20062.8 |
| Chemicals -diversified | 21 | 132169.2 | Entertainment & leisure | 5 | 18514.6 |
| Drugs | 15 | 117215.5 | Chemicals | 4 | 15199.2 |
| Diversified Holding Companies | 21 | 108854.8 | Auto parts, tyre and rubber | 7 | 13259.8 |
| Food Processors | 20 | 105971.1 | Financial Services | 8 | 11904.8 |
| Telephone Companies | 6 | 87150.7 | Fabricated metal products | 4 | 11351.4 |
| Beverages & tobacco | 14 | 76157.3 | Forestry products | 4 | 10271.1 |
| Electrical Equipment | 8 | 62757.3 | H'hold durables & consumer goods | 7 | 9804.3 |
| Retail - dept store/gen merchandise | 17 | 55895.6 | Oil - Petroleum Products | 3 | 9434.6 |
| Retail - grocery chains | 14 | 54682.7 | Paper & paper products | 6 | 9188.6 |
| Automobiles | 6 | 49703.7 | Electronics & instrumentation | 6 | 9131.9 |
| Construction & building materials | 17 | 42604.5 | Retail -speciality | 6 | 8225.1 |
| Transport, Storage & Warehousing | 14 | 41711 | Business servs & computer software | 4 | 6842.9 |
| Diversified industrial manufacture | 10 | 39204 | Aerospace & defence | 3 | 6185.7 |
| Mining & extractive industries | 13 | 37580.2 | Restaurants & hotels | 2 | 5626.8 |
| Communications & Office Equipment | 5 | 35013.5 | Advertising | 1 | 3784.7 |
| Machinery (composite) | 14 | 30619.9 | Investment Companies | 2 | 3689.3 |
| Publishers incl newspapers | 10 | 29346.2 | Apparel & textile producers | 1 | 2510.1 |
| Financial Institutions | 10 | 28304.8 | Wholesale - nondurables | 1 | 2006.2 |
| Natural Gas Utilities | 3 | 25467.3 | Heavy Shipbuilding & Engineering | 1 | 1521.9 |
| Insurance/Life/Agents & Brokers | 6 | 22238.5 | | | |

THE FT500

Peter Smith (right) who succeeds Brandon Gough (left) as chairman of Coopers & Lybrand on May 1

Ashley Ashwood

■ TOP ACCOUNTANTS

# Price war rages as clients cut costs

**As Europe struggles during an economic downturn, times are becoming increasingly tough for the auditors. The scope for spin-off services such as consulting has narrowed, says Andrew Jack**

Behind nearly every large European company is a very substantial accountancy firm providing auditing and other business advisory services.

The six largest firms dominate client work across the continent, but are coming under increasing competitive pressure from each other, from their rivals and from regulators.

In the UK, the historical home of most of the firms and of accountancy as a modern profession, there is an enormous gap in fee income between the top six and the rest.

Coopers & Lybrand alone billed £553m in the UK last year. In descending order, the five other largest firms were KPMG Peat Marwick, Ernst & Young, Arthur Andersen, Price Waterhouse and Touche Ross. Even Touche, at £346m, billed more than three times the amount of its next largest rival.

Coopers also emerged as the leading firm of auditors to the top 100 companies in the UK500 with 25 clients, including one jointly held with second-placed rival, Price Waterhouse (24). Third place went to KPMG Peat Marwick, with 22 of the top companies, and fourth to Ernst & Young.

The UK firms do not operate in isolation, however. They also dominate in all the other European countries. According to a study paid for by the European Commission and published in April 1992, the same firms have a stranglehold across the rest of the continent.

The study, produced by National Economic Research Associates (Nera), a consultancy firm, showed that they audit nearly 100 per cent of the top 200 companies in Belgium, Italy and the Netherlands, and more than 50 per cent in Germany and Portugal, for instance.

But as much of Europe struggles during an era of economic downturn, times are becoming increasingly tough for the accountants. The scope for spin-off services such as consulting – never as developed elsewhere as in the UK – has narrowed fast.

More importantly, there is a fierce price war now raging, as increasingly aggressive marketing and shrewder clients play the firms off against each other to keep audit fees to a minimum.

Concerns linger that "lowballing" or "predatory pricing" threatens to damage the quality of auditing, although the Institute of Chartered Accountants in England and Wales recently concluded no evidence for any such deterioration existed.

However, accountants privately admit that it is clearly more tempting for them to win new work at a discount than to have to sack staff and reduce partner numbers.

New pressures are coming from legal action. For example, in Italy, racked by recent corruption scandals and restructuring crises across the business sector, the cry of "where were the auditors?" is becoming common.

Price Waterhouse was the most prominent firm to be threatened with legal action following the near collapse of Ferruzzi, which it audited.

Elsewhere, Sweden has been one of several countries to begin threatening litigation following the crisis in the Scandinavian financial sector.

A response taken by some firms has been to create more closely integrated international structures. Arthur Andersen has always had the advantage of being a single firm worldwide.

Other firms, notably Price Waterhouse, have attempted recently to develop a single European business which shares resources, and establish a common methodology for its work.

But, as one accountant puts it, "it's one thing to share the profits, but people don't want to share the costs". This is at no time more relevant than when the writs arrive alleging negligent auditing.

The regulatory position in different countries across Europe varies widely. Some, such as Italy and Spain, have compulsory rotation of auditors in an effort to prevent ties becoming too close and jeopardising independence.

This creates the automatic need for competition, but the period of audit appointment may be longer lasting than in countries such as the UK, where annual audit reappointment approved by shareholders opens up the frequent prospect of tendering among the firms.

A number of countries still limit the non-audit work an audit firm can carry out, or attempt to restrict international firms entering the domestic market. All of these issues affect competition and the structure of the profession, although the Nera study showed how effectively the firms have circumvented restrictions.

For example, in France the stock exchange regulator recently insisted that its requirement for public companies to be scrutinised by two auditors should be interpreted as two separate audit firms and not – as had become widespread – two auditors from the same firm.

At the European Union-level, a new directive on procurement will require utilities and other public sector organisations to put their audits out to tender. However, the work plan for the next two years shows no hard-line attempts to change the regulation of the auditing profession, other than an emphasis on clarifying auditor liability.

Most of the most powerful pressures during the coming months will not be governmental but rather harshly commercial.

**Accountants to the Top 100 UK Companies**

**■ Coopers & Lybrand**
British Telecommunications
Glaxo Holdings
BAT Industries
Marks & Spencer
Smithkline Beecham*
Unilever
The RTZ Corporation
The Great Universal Stores
Abbey National
Kingfisher
Rothmans International
PowerGen
Commercial Union
Scottish Power
Sun Alliance Group
The BOC Group
Pearson
Inchcape
The Royal Bank of Scotland Group
British Steel
Thames Water
Royal Insurance Holdings
Arjo Wiggins Appleton
Schroders
RMC Group
*Joint audit

**■ Price Waterhouse**
British Gas
Smithkline Beecham*
Guinness
Barclays
Lloyds Bank
Reuters Holdings
Prudential Corporation
Reed International
Tesco
Land Securities
Redland
Legal & General Group
Reckitt & Colman
Rentokil Group
Courtaulds
Forte
Severn Trent
North West Water Group
Guardian Royal Exchange
Wolseley
Sears
TI Group
Anglian Water
Eastern Electricity
* Joint audit

**■ KPMG Peat Marwick**
HSBC Holdings
Cable and Wireless
Grand Metropolitan
National Westminster Bank
Zeneca Group
Imperial Chemical Industries
Allied-Lyons
National Power
The Boots Company
TSB Group
General Accident
Peninsular and Oriental Steam Navigation Co.
The Rank Organisation
Standard Chartered
Enterprise Oil
Associated British Foods Group
Granada Group
Siebe
MEPC
Rolls-Royce
British Aerospace

**■ Ernst & Young**
The Shell Transport and Trading Company
The British Petroleum Company
BTR
Hanson
Thorn EMI
Bass
British Airways
Lloyds Abbey Life
Whitbread
Bowater
Ladbroke Group
Blue Circle Industries
Scottish & Newcastle
Bank of Scotland
United Biscuits (Holdings)
S G Warburg Group
Asda Group
Smith & Nephew
NFC

**■ Touche Ross**
The General Electric Company
Wellcome
Vodafone Group
BAA
Coats Viyella

**■ Arthur Andersen**
Cadbury Schweppes
Argyll Group
Tomkins
BICC

**■ BDO Binder Hamlyn**
Southern Electric

**■ Pannell Kerr Foster**
Williams Holdings

Happy times for collective funds



Profile: ROYAL DUTCH/SHELL

# Caution the guideline for Europe's No 1

**Shell's reputation for being financially conservative may just be the quality needed to help it retain its premier position in a period of uncertainty over the direction of oil prices, writes Robert Corzine**

The scallop-shaped logo of the Royal Dutch/Shell Group of companies is one of the most pervasive in the commercial world. As a symbol of an oil company which on the basis of size is challenged only by Exxon of the US, it is recognisable in virtually every country.

The logo itself has undergone various stylistic changes since the company was formed out of a 1907 alliance between Royal Dutch Petroleum Company and the Shell Transport and Trading Company of the UK. But the original structure of the company has proved remarkably resilient.

The 1907 agreement called for the retention of separate identities, while the merger itself was based on a 60:40 split. Today, Royal Dutch remains a parent company, deriving its income from its 60 per cent interest in the group of operating companies. Shell Transport and Trading holds a similar position in the UK, based on its 40 per cent ownership of the group.

The joint group managing directors of the parent firms, led by chairman of the committee of managing directors, C.A.J. Herkstroter, still reflect the Anglo-Dutch roots of the company. This is in contrast with the intensely "national" character of many of the individual operating units. It is an arrangement which may appear to be a recipe for conflict, but which has clearly worked well over the years.

The glue which binds Shell together has been the careful cultivation of a multinational layer of senior management whose outlook is international and who share a common corporate culture. "We find that it's good for executives to go to countries where they may not be able to speak the language and begin to solve problems," according to one senior Shell manager.

Such structures and practices have helped Shell to weather nearly every combination of economic, commercial and political storm in its history. But critics say it has also left it with bureaucratic management and an internal focus which does not necessarily reflect the interests of its investors.

But its reputation for being financially conservative and cautious (gearing in 1992 was just 7 per cent) may just be the qualities needed to help it to retain its premier position in corporate Europe in a period of great uncertainty over the direction of oil prices.

Shell's structure may also prove to be the model for how an integrated oil company can survive and perhaps even thrive in a weak price environment

A recent study by NatWest Securities in Edinburgh predicted that Shell's earnings, for example, will prove to be relatively impervious to persistently low prices over the next three years. This is because of expected benefits for its downstream operations in refining and marketing from low crude oil prices.

Another offsetting factor would be the possibility that low oil prices would help to fuel an overall economic recovery. In that case there might be a stronger than expected upturn in chemicals, a sector in

Continued on next page

**■ Additions to the European Top 500**

| Company | Ctry | This year | Sec | Company | Ctry | This year | Sec | Company | Ctry | This year | Sec |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Reed Elsevier | Nuk | 41 | 472 | KNP BT | Net | 365 | | Mirror Group Newspapers | UK | 469 | 472 |
| Zeneca | UK | 52 | 433 | Chubb Security | UK | 366 | 406 | Metsa-Serla | Fin | 471 | 652 |
| Rhone-Poulenc | Fra | 79 | 622 | Skandia Forsakring | Swe | 372 | 152 | Sagem | Fra | 474 | 521 |
| Argentaria | Spa | 107 | 112 | Trygg-Hansa SPP Holding | Swe | 381 | 151 | Great Portland Estates | UK | 475 | 161 |
| Schneider SA | Fra | 166 | 171 | Parmalat | Ita | 382 | 451 | Hambros | UK | 476 | 121 |
| Skandinaviska Enskilda Banken | Swe | 199 | 112 | Enso-Gutzeit | Fin | 387 | 652 | Baltica Forsikring | Den | 477 | 151 |
| Roussel-Uclaf | Fra | 234 | 622 | Hammerson Property | UK | 394 | 161 | Outokumpu | Fin | 482 | 634 |
| Matra Hachette | Fra | 235 | 171 | Schindler | Swi | 425 | 566 | Baer Holdings | Swi | 483 | 112 |
| Fondiaria | Ita | 270 | 151 | Mapfre (Corp) | Spa | 438 | 151 | Oldenburgische Landesbank | Ger | 487 | 112 |
| Bols Wessanen | Net | 298 | 451 | Unitas Bank | Fin | 440 | 112 | Lapeyre | Fra | 488 | 611 |
| Nokia | Fin | 301 | 533 | Next | UK | 445 | 491 | Bunzl | UK | 489 | 652 |
| Pinault-Printemps | Fra | 303 | 491 | M & G Group | UK | 448 | 122 | Kleinwort Benson Group | UK | 492 | 121 |
| British Land | UK | 313 | 161 | Rinascente (La) | Ita | 458 | 491 | Aare-Tessin | Swi | 493 | 221 |
| Trafalgar House | UK | 319 | 171 | FKI | UK | 459 | 563 | Wimpey (George) | UK | 494 | 613 |
| Thuega | Ger | 322 | 221 | Italcable | Ita | 460 | 223 | Dragados y Construcciones | Spa | 496 | 613 |
| Krupp, Fried AG H-K | Ger | 340 | 633 | SAP | Ger | 465 | 551 | Farnell Electronics | UK | 498 | 551 |
| Slough Estates | UK | 362 | 161 | Sovac | Fra | 466 | 122 | Assitalia | Ita | 499 | 151 |
| Olivetti | Ita | 363 | 534 | BBA Group | UK | 467 | 571 | Kansallis-Osake-Pankki | Fin | 500 | 112 |

**■ Departures from the European Top 500**

| Company | Ctry | Last year | Sec | Company | Ctry | Last year | Sec | Company | Ctry | Last year | Sec |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Reed International | UK | 83 | 472 | Helvetia Schweiz. Versicherung | Swi | 428 | 152 | Sofina | Bel | 475 | 221 |
| Elsevier | Net | 100 | 472 | Irish Life | Ire | 431 | 151 | Schmalbach-Lubeca | Ger | 476 | 672 |
| Schneider (Groupe) | Fra | 180 | 541 | Flughafen Wien | Aus | 432 | 306 | Industrivarden | Swe | 477 | 171 |
| Pinault | Fra | 305 | 171 | Finanziaria Agroindustriale | Ita | 437 | 451 | Securicor Group | UK | 479 | 406 |
| Freia Marabou | Nor | 317 | 451 | Banca Popolare di Bergamo C.V. | Ita | 444 | 112 | Banco Lariano | Ita | 481 | 112 |
| Lauritzen | Den | 340 | 303 | British Vita | UK | 446 | 622 | Bols | Net | 482 | 421 |
| Clarins | Fra | 376 | 432 | Aguas de Barcelona | Spa | 448 | 221 | Iceland Frozen Foods Hldgs | UK | 483 | 493 |
| Hoesch | Ger | 377 | 633 | Matra | Fra | 452 | 521 | First Leisure Corporation | UK | 485 | 461 |
| UCB | Bel | 378 | 622 | Pentland Group | UK | 454 | 171 | Buehrmann-Tetterode | Net | 487 | 512 |
| KNP | Net | 384 | 652 | Elf Gabon | Fra | 458 | 212 | Weir Group | UK | 488 | 561 |
| Ferruzzi Finanziaria | Ita | 389 | 171 | Spring Ram Corporation | UK | 459 | 406 | PWA | Ger | 490 | 652 |
| Printemps (Au) | Fra | 394 | 491 | Primagaz | Fra | 462 | 213 | CEP Communications | Fra | 492 | 472 |
| Wessanen | Net | 399 | 451 | Trelleborg | Swe | 466 | 566 | Korsnas | Swe | 493 | 652 |
| Groupe Andre | Fra | 404 | 495 | Courtaulds Textiles | UK | 467 | 412 | Swiss Volksbank | Swi | 494 | 112 |
| Charter | UK | 405 | 611 | Blenheim Group | UK | 469 | 481 | EVN | Aus | 495 | 221 |
| Ranks Hovis McDougall | UK | 410 | 451 | Goldschmidt (Thomas) | Ger | 471 | 622 | Hapag Lloyd | Ger | 497 | 303 |
| Sodexho | Fra | 416 | 481 | Club Mediterranee | Fra | 473 | 464 | Gist-Brocades | Net | 498 | 433 |
| Moulinex | Fra | 423 | 406 | Nutricia | Net | 474 | 451 | Banco Totta & Açores | Por | 499 | 112 |

**■ European Top 500 - Most profitable companies**

| Rank | Company | Cntry | Sr | FT500 rank | ROCE |
|---|---|---|---|---|---|
| 1 | Emap | UK | 473 | 491 | 317.7 |
| 2 | Wolters Kluwer | Net | 472 | 167 | 142.6 |
| 3 | Rentokil Group | UK | 622 | 181 | 80.3 |
| 4 | Vodafone | UK | 223 | 74 | 69.3 |
| 5 | Northern Foods | UK | 451 | 258 | 51.4 |
| 6 | Mercury Asset Management | UK | 122 | 296 | 51.3 |
| 7 | Astra | Swe | 433 | 32 | 49.8 |
| 8 | Reuters Holdings | UK | 474 | 54 | 49.5 |
| 9 | Smithkline Beecham | UK | 433 | 23 | 46.4 |
| 10 | Kwik Save Group | UK | 493 | 352 | 44.4 |
| 11 | Redoute (La) | Fra | 491 | 279 | 43.1 |
| 12 | Farnell Electronics | UK | 551 | 498 | 42.7 |
| 13 | TF1 | Fra | 474 | 295 | 41.6 |
| 14 | Banco Popular Espanol | Spa | 112 | 160 | 41.0 |
| 15 | Glaxo Holdings | UK | 433 | 7 | 40.1 |
| 16 | Audiofina | Lux | 474 | 416 | 40.0 |
| 17 | MAI | UK | 122 | 439 | 39.6 |
| 18 | Canal + | Fra | 474 | 129 | 39.1 |
| 19 | M & G Group | UK | 122 | 448 | 38.5 |
| 20 | Lloyds Bank | UK | 112 | 44 | 37.7 |
| 21 | Wellcome | UK | 493 | 59 | 37.0 |
| 22 | Banco de Santander | Spa | 112 | 101 | 36.3 |
| 23 | HSBC Holdings | UK | 112 | 8 | 36.2 |
| 24 | Williams Holdings | UK | 591 | 233 | 35.9 |
| 25 | Electrocomponents | UK | 551 | 380 | 35.8 |

*For explanation of ROCE calculations see Barometer of Business Page 6

**■ European Top 500 - least profitable companies***

| Rank | Company | Cntry | Sr | FT500 rank | ROCE |
|---|---|---|---|---|---|
| 1 | Associated British Ports | UK | 303 | 403 | 0.3 |
| 2 | Asko Deutsche Kaufhaus | Ger | 491 | 329 | 0.5 |
| 3 | Barclays | UK | 112 | 31 | 0.7 |
| 4 | Deutsche Lufthansa | Ger | 301 | 207 | 1.0 |
| 5 | OeMV | Aus | 212 | 337 | 1.1 |
| 6 | Volvo | Swe | 401 | 136 | 1.9 |
| 7 | Carlton Communications | UK | 474 | 247 | 2.2 |
| 8 | Trafalgar House | UK | 171 | 319 | 2.2 |
| 9 | Suez (Compagnie Financiere de) | Fra | 112 | 62 | 2.6 |
| 10 | Bergesen d.y. Group | Nor | 303 | 456 | 2.7 |
| 11 | Investor | Swe | 131 | 254 | 2.8 |
| 12 | BET | UK | 171 | 291 | 3.1 |
| 13 | Isar Amperwerke | Ger | 221 | 195 | 3.1 |
| 14 | Mannesmann | Ger | 566 | 89 | 3.1 |
| 15 | Outokumpu | Fin | 634 | 482 | 3.2 |
| 16 | Berliner Kraft und Licht | Ger | 221 | 369 | 3.3 |
| 17 | Vereins- und Westbank | Ger | 112 | 497 | 3.5 |
| 18 | British Petroleum | UK | 212 | 9 | 3.9 |
| 19 | Cap Gemini Sogeti | Fra | 551 | 351 | 4.0 |
| 20 | Remy Cointreau | Fra | 422 | 470 | 4.0 |
| 21 | Banco Exterior | Spa | 112 | 171 | 4.1 |
| 22 | DSM | Net | 622 | 395 | 4.1 |
| 23 | Burton Group | UK | 491 | 344 | 4.2 |
| 24 | Stora | Swe | 651 | 221 | 4.3 |
| 25 | Philips | Net | 541 | 86 | 4.4 |

*For explanation of ROCE calculations see Barometer of Business Page 6



nial, nearly 50 per cent larger than its nearest rival.

F&C has not only kept its reputation for good investment performance but was the first to introduce a savings scheme back in 1984, one of the measures that has helped towards the revival of private investor interest in the sector. The individual monthly sums invested via savings schemes may be small but over the years they form a constant drip-feed of demand which has helped to narrow the discount.

Like some of the other international generalists, F&C has not been able to gain significantly from the other substantial boost to private investor demand for trusts – the personal equity plan. Pep rules only permit a trust to qualify for the full £6,000 annual allowance if more than 50 per cent of its portfolio is in EU equities. F&C does not want its flagship trust to be hamstrung by this requirement, and so investors can only put £1,500 in Pep form into Britain's largest investment trust. (Emerging markets specialists also do not qualify for the full £6,000 Pep.)

F&C has other trusts within its range which do qualify under the Pep rules. But some of the main beneficiaries of the Pep regime have been the UK blue chip and UK income trusts, such as TR City of London, many of which stand at asset values, or small premiums.

The very recent success of investment trusts inevitably creates dangers for 1994. The sector might over-egg the pudding by making too many new issues. A sudden downturn in the stock market might cause the recent recruits among private investors to panic – and offload their holdings. Either factor would lead to a widening discount.

On the other hand, the sector has cause to be optimistic. The current present low UK interest rate regime may survive for several more years, and Peps appear safe while a Conservative government is in power. If it does, we may be witnessing a historic shift of savers' incomes away from deposits and into equity funds. There could be many more years of investment trust expansion ahead.


Investment trust managers have pointed to the high rates of economic growth being achieved by developing countries such as China Sarah Murray

■ INVESTMENT TRUSTS

# Happy times for collective funds

## The return of the private investor has created a new source of demand for trust shares and has enabled the discount to narrow to a 20-year low, says **Philip Coggan**

Michael Hart, joint manager of Foreign & Colonial Investment Trust, which is nearly 50 per cent larger than its nearest rival

These are happy times for investment trusts, the quoted collective funds which provide an easy way for small investors to gain access to the stock market.

Falling interest rates are persuading savers to find ways of investing in equities, now that the yields on shares are closer to the returns available from cash. Not only does that help share prices (and thus the asset values of trusts), it also reduces the trust sector's long-term headache – the discount.

The price of shares in an investment trust is set by supply and demand, and does not necessarily correspond with the asset value of the trust. For much of the past 20 years, the shareholder registers of many trusts have been dominated by institutional investors – many of whom have, for historic reasons, wanted to sell. Since supply of shares exceeded demand, trust shares tended to trade at a discount to the asset value (e.g. the share price might be 90p, while assets per share are 100p).

But the return of the private investor has created a new source of demand for trust shares and has enabled the discount to narrow to a 20-year low. Existing investors in trusts have therefore made a double gain.

Over the five years to January 1994, the *FT Investment Trust Index* rose 139 per cent, while the All-Share climbed only 116 per cent over the same period.

This increased demand has also enabled the sector to expand by creating new trusts. The sector had a record year for new issues in 1993, raising £1.5bn, or £2.1bn if the new Lloyd's capital trusts are excluded.

Not all of this was due to private investor enthusiasm. Institutional investors are still willing to buy investment trusts if the area being invested in is one where trust managers can add value.

This particularly applies to emerging markets, where not only were new trusts launched in 1993 but existing trusts such as Templeton (23rd in the rankings) were able to raise new money.

Emerging markets were very much the fashionable investment story of 1993. Managers could point to the high rates of economic growth being achieved by developing countries such as China, the financial liberalisation measures being introduced by their governments and the under-development of their stock markets.

Furthermore such markets were individually so illiquid and volatile that it was easy to argue that the best investment vehicle had to be a broadly-spread collective fund.

So great has been the demand for emerging markets trusts that many have traded at a premium to their asset values, indicating that demand is exceeding supply and that there is still scope for emerging markets new issues in 1994.

The biggest ever investment trust issue occurred late in the year, too late to appear in these figures. But Mercury World Mining Trust, helped by the reputation of manager Julian Baring and by 1993's sudden revival of interest in gold, would leap straight into the top 10 of trusts by size.

For the moment, however, the table is dominated by the big international generalists and in particular by Foreign & Colo-

Continued on next page

■ **Top 100 Investment trusts by market capitalisation**

| | Company | Mkt Cap £m | Share holders funds £m | Discount/ premium % |
|---|---|---|---|---|
| 1 | Foreign & Colonial Trust | 1301.0 | 1397.0 | 5.0 |
| 2 | Alliance | 879.0 | 971.6 | 9.2 |
| 3 | Edinburgh Investment | 860.9 | 947.6 | 9.4 |
| 4 | Witan | 791.9 | 905.8 | 12.5 |
| 5 | Scottish Mortgage | 759.3 | 876.7 | 13.6 |
| 6 | British Investment | 599.0 | 683.6 | 12.4 |
| 7 | Govett Oriental | 559.8 | 613.0 | 8.3 |
| 8 | Scottish Investment | 551.0 | 680.3 | 14.7 |
| 9 | Scottish Eastern | 491.0 | 571.7 | 14.2 |
| 10 | *Electra* | *486.1* | *579.3* | *16.1* |
| 11 | Fleming Far Eastern | 480.8 | 544.4 | 11.9 |
| 12 | Anglo & Overseas | 454.0 | 529.5 | 13.6 |
| 13 | British Assets | 405.1 | 419.1 | 4.4 |
| 14 | Fleming Mercantile | 401.7 | 468.3 | 14.1 |
| 15 | Murray International | 393.6 | 407.3 | 4.4 |
| 16 | Fleming Overseas | 377.9 | 438.8 | 13.8 |
| 17 | Scottish National - unit | 377.0 | 348.7 | 8.2 * |
| 18 | Monks | 374.0 | 414.0 | 10.1 |
| 19 | Investors Capital | 345.1 | 342.6 | 0.2 * |
| 20 | Scottish American | 336.5 | 389.3 | 11.9 |
| 21 | T R Smaller Companies | 331.5 | 348.1 | 5.0 |
| 22 | Foreign & Colonial Pacific | 310.1 | 363.7 | 7.4 |
| 23 | Templeton Emerging Markets | 299.6 | 314.9 | 8.4 * |
| 24 | M & G Income - unit | 299.5 | 290.2 | 3.2 * |
| 25 | Second Alliance | 293.8 | 328.7 | 10.3 |
| 26 | Murray Income | 284.9 | 282.0 | 0.2 * |
| 27 | T R City of London | 284.0 | 272.8 | 4.1 * |
| 28 | Bankers | 282.7 | 270.1 | 2.3 * |
| 29 | Securities Trust of Scotland | 280.3 | 285.6 | 1.6 |
| 30 | Fleming Japanese | 275.5 | 245.2 | 2.7 |
| 31 | Merchants | 274.2 | 271.9 | 0.2 * |
| 32 | R I T Capital Plns | 268.8 | 440.5 | 25.0 |
| 33 | Govett Strategic | 264.0 | 296.2 | 9.9 |
| 34 | Throgmorton Trust | 230.9 | 245.3 | 8.4 |
| 35 | T R Technology - unit | 228.6 | 259.6 | 10.4 |
| 36 | Dunedin Worldwide | 226.7 | 269.6 | 16.4 |
| 37 | E F M Dragon | 216.0 | 231.2 | 4.3 |
| 38 | American | 215.1 | 241.8 | 9.5 |
| 39 | River & Mercantile Trust - unit | 207.6 | 197.1 | 4.9 * |
| 40 | Murray Smaller Markets | 207.1 | 222.8 | 7.7 |
| 41 | *Dunedin Income Growth* | 205.7 | 210.8 | 2.7 |
| 42 | Fleming Cont Euro | 199.4 | 208.4 | 4.4 |
| 43 | Temple Bar | 191.9 | 199.9 | 2.4 |
| 44 | Fleming American | 190.4 | 256.6 | 6.6 |
| 45 | M & G Recovery - unit | 186.4 | 169.3 | 10.1 * |
| 46 | Kleinwort Overseas | 183.8 | 218.0 | 15.9 |
| 47 | English & Scottish | 176.3 | 203.2 | 9.4 |
| 48 | Kleinwort Charter | 163.2 | 182.8 | 10.9 |
| 49 | Electric and General | 162.3 | 183.0 | 11.2 |
| 50 | Baring Tribune | 157.9 | 188.0 | 15.0 |
| 51 | G T Japan | 151.6 | 166.7 | 7.5 |
| 52 | Law Debenture Corp | 151.5 | 136.8 | 10.7 * |
| 53 | Foreign & Colonial Smaller Cos | 145.8 | 145.0 | 3.2 * |
| 54 | Drayton Far Eastern | 143.9 | 164.7 | 13.7 |
| 55 | Fleming Emerging Market | 141.5 | 146.1 | 2.5 * |
| 56 | Sphere - unit | 140.7 | 142.2 | 0.7 |
| 57 | Brunner | 137.3 | 158.7 | 13.6 |
| 58 | Foreign & Colonial Eurotrust | 124.2 | 130.7 | 1.1 |
| 59 | Overseas | 123.8 | 151.7 | 16.0 |
| 60 | *M & G Dual - unit* | 120.3 | 128.7 | 6.5 |
| 61 | River Plate & General - unit | 114.8 | 109.1 | 5.6 * |
| 62 | Fleming Int High Income - unit | 113.5 | 113.4 | 0.0 |
| 63 | Schroder Split Fund - unit | 113.2 | 104.1 | 8.2 * |
| 64 | Fleming Inc & Cap - unit | 113.2 | 111.0 | 1.8 * |
| 65 | General Consolidated - unit | 113.1 | 114.3 | 1.8 |
| 66 | T R Pacific | 108.9 | 107.3 | 2.4 * |
| 67 | Fleming Claverhouse | 108.7 | 109.2 | 0.4 |
| 68 | British Empire Securities | 105.7 | 124.0 | 11.8 |
| 69 | Foreign & Colonial Emerging Mkts | 103.5 | 100.1 | 6.1 * |
| 70 | Majedie | 101.4 | 116.4 | 12.9 |
| 71 | Aberforth Smaller Co | 99.0 | 100.3 | 6.6 * |
| 72 | Thornton Asian Em Mk | 95.0 | 112.5 | 15.4 |
| 73 | St Andrew | 94.2 | 105.5 | 10.0 |
| 74 | Moorgate Smaller Cos Inc | 92.3 | 90.1 | 3.7 * |
| 75 | T R Property | 88.3 | 101.7 | 13.3 |
| 76 | Yeoman - unit | 84.9 | 82.4 | 3.1 * |
| 77 | Baillie Gifford Japan | 82.1 | 86.4 | 2.2 |
| 78 | U S D C | 81.9 | 97.2 | 15.8 |
| 79 | Oriental Smaller Cos | 79.7 | 97.3 | 11.3 |
| 80 | Fleming Enterprise | 77.8 | 84.3 | 7.9 |
| 81 | Pacific Assets | 77.2 | 91.0 | 3.6 |
| 82 | Keystone | 77.2 | 85.2 | 9.5 |
| 83 | Gartmore Emer Pac | 78.0 | 80.8 | 2.2 * |
| 84 | Murray Ventures | 75.3 | 88.0 | 15.5 |
| 85 | BZW Convertible | 73.0 | 64.0 | 14.1 * |
| 86 | T R Far East Income | 71.1 | 73.8 | 2.6 * |
| 87 | Shires | 70.1 | 78.5 | 1.6 |
| 88 | Candover | 67.4 | 63.7 | 5.7 * |
| 89 | U S Smaller Cos | 65.6 | 74.9 | 6.9 |
| 90 | M & G Second Dual - unit | 65.3 | 68.0 | 4.0 |
| 91 | Lowland | 65.3 | 66.2 | 2.0 |
| 92 | Malvern UK Index | 64.7 | 65.6 | 1.9 |
| 93 | Exeter Preferred Cap - Unit | 64.0 | 66.7 | 5.2 |
| 94 | Gartmore Value - unit | 62.6 | 62.4 | 0.7 * |
| 95 | Fidelity European | 61.3 | 65.2 | 0.8 |
| 96 | I & S Optimum Income - unit | 60.9 | 59.4 | 2.8 * |
| 97 | Second Consolidated | 60.5 | 64.5 | 6.2 |
| 98 | Abtrust New Dawn | 60.3 | 65.1 | 0.8 * |
| 99 | S & P Linked - unit | 59.7 | 65.9 | 9.3 |
| 100 | Mezzanine Cap & Inc - unit | 58.8 | 57.4 | 2.5 * |

** Premium; Discounts and premiums are calculated on a fully-diluted basis*

Caution the guideline for Europe's No 1



which Shell is among the top 10 companies worldwide and the dominant producer among the integrated oil companies, although much of its capacity is concentrated in high-cost continental Europe.

The NatWest study concluded that Shell's medium-term fortunes are dependent less on oil price movements than on the overall state of the world economy. Other strengths which are likely to help Shell through the present turmoil in the industry include a strong presence in the fastest growing economies in Asia. It also has one of the largest international natural gas businesses, a market segment where prices have so far stayed relatively buoyant as countries and companies realise the environmental and cost benefits associated with the fuel.

Shell's reputation has been enhanced by its effectiveness in finding new reserves at relatively low costs. Figures from Lehman Brothers, the US investment bank, show that Shell's finding costs over the past three years have averaged $2.50 per barrel of oil equivalent (which includes natural gas and condensate). That compares with an average among European oil companies of $3.58 a barrel, and an average for the US majors of $3.97 a barrel.

Shell's relative efficiency means, however, that cost-cutting, the theme which last year underpinned the share performance of other oil companies, such as British Petroleum, has a less marked impact.

The NatWest study also notes that the company's low gearing means that any cost-cutting it does achieve will make less of a bottom line impact than similar actions taken by more highly geared competitors.

But Shell does share one big concern with its competitors: that oil prices drifting in the $13-$16 range of the last six months will lead to the postponement or cancellation of a number of capital-intensive projects.

Over time that would constrain the growth of Shell's worldwide asset base, perhaps its main pillar of corporate strength.

C.A.J. Herkstroter, chairman of the committee of managing directors: the senior management of Shell reflects the Anglo-Dutch roots of the company

# Barometer of business

The FT500, now in its 12th year of publication, has come to be recognised as Europe's principal barometer of business.

The main table ranks the 500 biggest European companies by market capitalisation.

A second table ranks the top 500 UK companies on the London Stock Exchange. This year, for the first time, there are two new international listings – the top 100 US and the top 100 Japanese companies, also by market capitalisation.

A company's capitalisation is the number of its shares multiplied by the price of its shares, and therefore measures the value of the company in the eyes of investors.

Capitalisation is chosen as a yardstick because it has a number of advantages over other methods.

It is a good guide to performance over time; it gives a proper weighting to banks, whose positions are distorted in tables based on turnover; and it takes proper account of loss-making companies, which disappear from lists based on profits.

The stock market is particularly important in the UK, whereas in Germany the banks play a larger role in corporate finance, and in France and Italy many of the biggest groups are state-owned.

However, the table showing the 200 top companies in Europe ranked by turnover includes companies which are publicly-owned and which appear in the top 500, and those which are owned privately or by the state.

■ Rankings: The rankings of the European 500, the UK 500 and the US 100 and Japanese 100 tables are based on market capitalisation at the end of September 1993. Preference capital has been excluded for this calculation.

Companies that have 75 per cent or more of equity held by one other concern, or that have only a minimal proportion of their capital openly traded on the market, have been excluded.

The main source for the European and UK capitalisation tables was FT Analysis, with additional information from Datastream International, local stock exchanges, and the FT World Actuaries Index.

The source for US and Japan capitalisation tables was Standard & Poor's Compustat Services.

The ranking of companies having the same capitalisation has been determined by reference to their turnover or, where necessary, their profit.

Figures in the European, US and Japanese tables are in dollars, using September 1993 average exchange rates. For ease of comparison, turnover and profit figures for last year are also shown at September 1993 average exchange rates. UK 500 figures are in sterling.

■ Accounts: Consolidated accounts have been used wherever possible. When parent company accounts only have been reported, these figures have been used and annotated.

Turnover is shown net of sales taxes and inter-group sales. A ranking based on the latest year's figure is also given.

Profit is disclosed profit before tax and minority interest. For the UK companies, it is also before extraordinary items. Return on capital employed (ROCE) is based on pre-tax profit plus interest divided by capital employed at the beginning of the financial year. ROCE is not calculated if pre-tax loss plus interest payment reflects a loss. For banks, capital employed is equivalent to shareholders' funds.

■ UK Investment Trusts: The rankings are based on market capitalisation at the end of September 1993. The shareholders' funds figure is based on the number of shares in issue and the stated net asset value.

This table has been compiled with the assistance of NatWest Securities.

■ Other tables: Also included for the first time this year, is a table showing the auditors for the top 100 UK companies.

Because of distortions in percentages when companies go from profit to loss and vice versa, the tables showing largest increases in profit and largest decreases in profit exclude these companies.

However, tables showing the largest movements from loss to profits and vice versa are published.

## Note symbols for the tables

a ROCE based on shareholders' funds after charging interest on loan capital not stated separately

+ ROCE based on capital employed at year-end

- Previous year's figures adjusted for accounting changes

† Parent company accounts

y Employees at year end

< ROCE based on shareholders' funds

* See footnotes

## Reprints

The FT500 will be available in booklet form and will include names of chief executives and company addresses.

Cheques for £22 made payable to The Financial Times Limited should be sent to: Lorraine Baker, The Financial Times Marketing Department, Number One Southwark Bridge, London SE1 9HL.

## ■ European Top 500 biggest employers

| Rank 1993 | Rank 1992 | Company | Cntry | Sr | FT500 Rank | Employees |
|---|---|---|---|---|---|---|
| 1 | 1 | Siemens | Ger | 541 | 10 | 413000 |
| 2 | 2 | Daimler-Benz | Ger | 401 | 14 | 382633 |
| 3 | 3 | Unilever plc | NV/Nuk | 451 | 5 | 287000 |
| 4 | 4 | Fiat | Ita | 401 | 85 | 285482 |
| 5 | 5 | Volkswagen | Ger | 401 | 88 | 273309 |
| 6 | 6 | Philips | Net | 541 | 86 | 257671 |
| 7 | 11 | Nestle | Swi | 451 | 6 | 218005 |
| 8 | 8 | ABB Asea Brown Boveri | Swe/I | 541 | 47 | 213407 |
| 9 | 9 | Alcatel Alsthom | Fra | 533 | 18 | 203000 |
| 10 | 12 | Generale des Eaux | Fra | 221 | 40 | 198813 |
| 11 | 10 | BAT Industries | UK | 171 | 11 | 197089 |
| 12 | 13 | Hoechst | Ger | 622 | 55 | 177668 |
| 13 | 7 | BT | UK | 223 | 2 | 170700 |
| 14 | 14 | Bayer | Ger | 622 | 34 | 150860 |
| 15 | 15 | Peugeot | Fra | 401 | 100 | 150800 |
| 16 | 16 | Thyssen | Ger | 633 | 140 | 148272 |
| 17 | | Accor | Fra | 404 | 211 | 144093 |
| 18 | 25 | Mannesmann | Ger | 560 | 89 | 141250 |
| 19 | 20 | STET | Ita | 171 | 65 | 139757 |
| 20 | | BTR | UK | 591 | 10 | 135133 |
| 21 | 17 | Michelin | Fra | 574 | 162 | 130088 |
| 22 | | Veba | Ger | 171 | 33 | 129802 |
| 23 | 24 | Lyonnaise des Eaux-Dumez | Fra | 221 | 126 | 127552 |
| 24 | 19 | Royal Dutch Shell | Nuk | 212 | 1 | 127000 |
| 25 | 22 | BASF | Ger | 622 | 63 | 123500 |

## ■ A-Z list of the European top 500

| A | RANK |
|---|---|
| A/S D/S Svendborg | 148 |
| Aare-Tessin | 493 |
| ABB Asea Brown Boveri | 47 |
| Abbey National | 69 |
| [illegible] | [illegible] |

Sir Iain Vallance: much progress has already been made to transform the company so that it can meet the challenges facing a high-technology company



■ Profile: BRITISH TELECOM

# Number one in the UK directory

## BT has regained its position as Britain's biggest company. Bernard Gray outlines the technological forces which are driving the UK giant's growth

MCI – the US long-distance telephone company which is allied to BT – announced on January 4 that it has strategic plans to invest $20bn along with partners in the US telecoms market over the next decade. Developments will include a fibre-optic telecoms super-highway running from New York to Los Angeles to compete with regional US phone companies for domestic users. The scale of the investment required shows just how high the stakes are for global telecommunications companies.

Technological turmoil is bringing together computer technology with traditional phone operations. It is creating the possibility of new services such as home shopping, consumers selecting video films to be sent down telephone lines, and the handling of huge volumes of data at very low cost. Yet to keep up with the rapidly developing market phone companies are going to have to invest huge sums and form complex alliances over the next decade.

At the same time as creating the possibility of multimedia ventures, technological change is also encouraging real competition in telecoms for the first time. From cellular phones to cable TV, consumers now have a choice of competing telephone networks.

So the requirement for high capital expenditure comes at the same time as phone companies are going to have to become more efficient to offset the lower prices which competition is likely to bring. It is going to be a dramatic decade for phone companies.

The revolution is most advanced in the US, but is rapidly spreading to other markets, and BT seems determined to be at the forefront of European telecoms companies. After a couple of false starts, including an investment in McCaw cellular, BT's international strategy is now centred on its alliance with MCI, the second largest US long-distance phone carrier. The two companies intend to set up an operation to cater for the complex requirements of large multinational companies. Sophisticated computer programmes developed for these needs may also have spin-offs in more mundane domestic services. For example, customers may be able to have a single telephone number which follows them wherever they go.

BT is tackling the US and international markets first because they are the most open to competition. Yet even here the company is restricted in what it can do. US regulations severely limit foreign ownership of telecoms companies. And while services to multinational companies may provide high-margin business, the market is strictly limited.

In Europe, telecoms are highly protected and the main voice communications market is unlikely to be opened up before 1998. Even then, if previous deregulation is any guide, progress in implementing open markets may be slow.

In its domestic market BT is also hedged about. Since it already has such a large market share it has been prevented from competing directly with the growing cable TV companies which are providing a full range of TV channels as well as telephone services.

BT is thus caught in something of a bind. The market is changing rapidly, yet the company can only gain limited access to most interesting areas. At the same time BT, in common with many other telecoms companies, is having to make the transition from a vast state-owned public-service bureaucracy to a flexible and responsive high-technology company. The challenge of transforming an organisation, which by rumour used to have more vehicles than the Red Army, is huge. Not only do work practices have to be changed, but the culture has to be shifted so that the staff are focused on providing services demanded by customers, rather than the structure suiting itself. At the same time the company has to cope with the strains involved in a huge reduction in staff numbers.

According the chairman, Sir Iain Vallance, much progress has already been made. Several initiatives have been launched to transform the company. Most significant of which was the Project Sovereign which was visible to the outside world as the change in corporate logo and identity, but which involved adopting total quality management values and encouraging employees to focus on customers needs.

Many of those employees who did not like the new ethos or found it difficult to adapt have left over the years in one or other of companies redundancy programmes. Beside, as Sir Iain points out, "it is now almost exactly 10 years since BT was privatised, so the natural turnover of staff means that many staff have never worked in the public sector. We now have the younger more responsive workforce that this industry needs."

The company is also encouraging new attitudes by ring-fencing growth areas such as cellular communications and international services to try to prevent old-style bureaucracy from strangling innovation. If BT can inculcate a genuinely entrepreneurial and innovative service culture among its staff, and overcome the barriers to competing in Europe and the US, it could be one of the telecom companies to do well in the new world. It is at least well ahead of those continental European PTT's which still luxuriate in state control.

## ■ UK Top 500 – Largest increases in profit

| | Company | Sector | UK500 Rank | % Change |
|---|---|---|---|---|
| 1 | Automated Security (Holdings) | 541 | 385 | 1253.7 |
| 2 | Avon Rubber | 574 | 414 | 869.9 |
| 3 | Cathay International Holdings | 161 | 401 | 438.8 |
| 4 | Northern Ireland Electricity | 221 | 266 | 327.3 |
| 5 | Dawsongroup | 304 | 422 | 319.8 |
| 6 | Ellis & Everard | 622 | 371 | 306.7 |
| 7 | National Westminster Bank | 112 | 17 | 268.2 |
| 8 | Charter | 611 | 211 | 238.2 |
| 9 | Racal Electronics | 551 | 182 | 219.6 |
| 10 | Next | 491 | 170 | 216.3 |
| 11 | Legal & General Group | 141 | 61 | 199.2 |
| 12 | Carpetright | 412 | 393 | 178.4 |
| 13 | Forte | 464 | 78 | 176.0 |
| 14 | Taunton Cider | 424 | 329 | 168.0 |
| 15 | Guardian Royal Exchange | 151 | 81 | 167.9 |
| 16 | Westminster Health | 434 | 369 | 156.7 |
| 17 | Huntleigh Technology | 566 | 428 | 137.4 |
| 18 | Telemetrix | 552 | 384 | 137.3 |
| 19 | Granada Group | 461 | 68 | 128.8 |
| 20 | Halstead (James) Group | 412 | 481 | 126.6 |
| 21 | United Newspapers | 473 | 110 | 125.2 |
| 22 | Lucas Industries | 571 | 133 | 123.6 |
| 23 | Prudential Corporation | 141 | 24 | 123.1 |
| 24 | Smith & Nephew | 431 | 99 | 119.9 |
| 25 | Medeva | 433 | 280 | 115.1 |

## ■ UK Top 500 – Largest falls in profit

| | Company | Sector | UK500 Rank | Change |
|---|---|---|---|---|
| 1 | Burford Holdings | 161 | 400 | -92.6 |
| 2 | Heath C.E. | 142 | 304 | -92.2 |
| 3 | British Petroleum | 212 | 5 | -90.7 |
| 4 | Graseby | 551 | 447 | -86.5 |
| 5 | Ladbroke Group | 461 | 67 | -80.9 |
| 6 | Zeneca | 433 | 22 | -80.8 |
| 7 | Matthews (Bernard) | 451 | 478 | -74.7 |
| 8 | Heywood Williams Group | 611 | 309 | -71.4 |
| 9 | Ocean Group | 306 | 208 | -68.6 |
| 10 | Marley | 611 | 222 | -67.6 |
| 11 | Senior Engineering Group | 561 | 287 | -65.2 |
| 12 | Pentland Group | 171 | 256 | -65.2 |
| 13 | Royal Bank of Scotland Group | 112 | 58 | -63.8 |
| 14 | Low & Bonar Group | 652 | 247 | -62.6 |
| 15 | Babcock International Group | 563 | 367 | -62.4 |
| 16 | Shanks & McEwan Group | 563 | 265 | -62.3 |
| 17 | McAlpine (Alfred) | 613 | 438 | -61.6 |
| 18 | Lonrho | 171 | 146 | -61.0 |
| 19 | Singer & Friedlander Group | 121 | 396 | -60.9 |
| 20 | Bullough | 591 | 394 | -59.0 |
| 21 | WPP Group | 475 | 199 | -58.7 |
| 22 | Pilkington | 611 | 123 | -57.5 |
| 23 | British Airways | 301 | 42 | -57.4 |
| 24 | Persimmon Group | 614 | 283 | -54.4 |
| 25 | St James's Place Capital | 122 | 226 | -51.1 |

# THE FT500

## UK Top 500 Largest rises in rank

| Change | 1993 Rank | 1992 Rank | Company | Sector |
|---|---|---|---|---|
| 238 | 199 | 437 | WPP Group | 475 |
| 199 | 231 | 430 | Danka Business Systems | 482 |
| 137 | 314 | 451 | Stakis | 461 |
| 114 | 311 | 425 | Astec (BSR) | 551 |
| 102 | 242 | 344 | Peel Holdings | 161 |
| 100 | 251 | 351 | Barratt Developments | 614 |
| 98 | 299 | 397 | Hambro Countrywide | 161 |
| 86 | 217 | 303 | Invesco MIM | 122 |
| 84 | 142 | 226 | Slough Estates | 161 |
| 83 | 125 | 208 | British Land | 161 |
| 82 | 91 | 173 | British Aerospace | 523 |
| 80 | 392 | 472 | Capital Radio | 464 |
| 78 | 419 | 497 | Wace Group | 471 |
| 76 | 326 | 402 | Frogmore Estates | 161 |
| 73 | 202 | 275 | Meyer International | 611 |
| 72 | 179 | 251 | Mirror Group Newspapers | 472 |
| 70 | 253 | 323 | Cray Electronics | 551 |
| 70 | 273 | 343 | Norcros | 592 |
| 68 | 378 | 446 | Courts | 412 |
| 68 | 382 | 450 | Anglia Television Group | 474 |
| 67 | 249 | 316 | Berkeley Group | 614 |
| 64 | 206 | 270 | Brixton Estate | 161 |
| 63 | 126 | 189 | Trafalgar House | 171 |
| 63 | 243 | 306 | Cowie (T.) | 571 |
| 63 | 331 | 394 | Bellway | 614 |

## UK Top 500 Largest falls in rank

| Change | 1993 Rank | 1992 Rank | Company | Sector |
|---|---|---|---|---|
| -151 | 322 | 171 | Spring Ram Corporation | 406 |
| -136 | 496 | 360 | Low (William) | 493 |
| -119 | 460 | 341 | Plysu | 622 |
| -118 | 483 | 365 | T & S Stores | 493 |
| -114 | 367 | 253 | Babcock International Group | 563 |
| -103 | 278 | 175 | Blenheim Group | 481 |
| -101 | 383 | 282 | Macallan-Glenlivet | 424 |
| -99 | 409 | 310 | British Bio-technology Group | 433 |
| -97 | 475 | 378 | Thorntons | 451 |
| -90 | 421 | 331 | Renishaw | 561 |
| -88 | 256 | 168 | Pentland Group | 171 |
| -85 | 413 | 328 | Scholl | 492 |
| -84 | 295 | 211 | London International Group | 431 |
| -82 | 280 | 198 | Medeva | 433 |
| -78 | 415 | 337 | Huntingdon International | 591 |
| -75 | 427 | 352 | Victaulic | 566 |
| -73 | 182 | 109 | Racal Electronics | 551 |
| -72 | 305 | 233 | Micro Focus Group | 482 |
| -69 | 458 | 389 | Wardle Storeys | 622 |
| -68 | 377 | 309 | Raine Industries | 613 |
| -67 | 271 | 204 | Wolverhampton & Dudley Brews | 421 |
| -65 | 279 | 214 | Dawson International | 411 |
| -64 | 420 | 356 | Bespak | 433 |
| -64 | 498 | 434 | Sage Group | 482 |
| -64 | 454 | 390 | Bick | 552 |

## UK Top 500 - Largest swings to profit

| | Company | Sector | UK500 rank | £m |
|---|---|---|---|---|
| 1 | Asda Group | 493 | 88 | 506.9 |
| 2 | BET | 171 | 116 | 438.6 |
| 3 | Mirror Group Newspapers | 472 | 179 | 359.0 |
| 4 | Sun Alliance Group | 151 | 50 | 336.6 |
| 5 | Royal Insurance Holdings | 151 | 73 | 254.0 |
| 6 | Lex Service | 571 | 236 | 157.1 |
| 7 | General Accident | 151 | 47 | 142.3 |
| 8 | Commercial Union | 151 | 46 | 100.0 |
| 9 | TSB Group | 112 | 44 | 90.0 |
| 10 | Cookson Group | 621 | 130 | 80.4 |
| 11 | Laing (John) | 613 | 292 | 76.9 |
| 12 | Amstrad | 551 | 300 | 50.4 |
| 13 | Stakis | 461 | 314 | 47.7 |
| 14 | Trade Indemnity Group | 122 | 495 | 41.7 |
| 15 | Meyer International | 611 | 202 | 34.3 |
| 16 | Hickson International | 621 | 262 | 28.8 |
| 17 | Lep Group | 482 | 499 | 24.7 |
| 18 | Burton Group | 491 | 135 | 22.8 |
| 19 | Wickes | 611 | 227 | 13.3 |
| 20 | Westbury | 614 | 465 | 12.9 |
| 21 | Astec (BSR) | 551 | 311 | 12.6 |
| 22 | Ashley (Laura) Holdings | 495 | 340 | 10.9 |
| 23 | Trafalgar House | 171 | 126 | 8.2 |
| 24 | Scottish Metropolitan Property | 161 | 479 | 7.9 |
| 25 | Hambro Countrywide | 161 | 299 | 3.4 |

*These figures represent a change from loss to profit

## UK Top 500 - Largest falls to loss

| | Company | Sector | UK500 rank | £m |
|---|---|---|---|---|
| 1 | Imperial Chemical Industries | 622 | 28 | -1227.0 |
| 2 | British Aerospace | 523 | 91 | -1089.0 |
| 3 | Barclays | 112 | 18 | -775.0 |
| 4 | Saatchi & Saatchi | 475 | 245 | -542.7 |
| 5 | Tarmac | 613 | 109 | -371.3 |
| 6 | Lasmo | 213 | 129 | -268.0 |
| 7 | Rolls-Royce | 521 | 83 | -235.0 |
| 8 | Wimpey (George) | 613 | 189 | -96.3 |
| 9 | British Steel | 633 | 59 | -94.0 |
| 10 | Attwoods | 406 | 241 | -87.3 |
| 11 | Wates City of London Prop | 161 | 446 | -83.1 |
| 12 | Amec | 613 | 318 | -74.4 |
| 13 | Sears | 492 | 87 | -70.6 |
| 14 | Associated British Ports | 303 | 159 | -67.6 |
| 15 | Taylor Woodrow | 613 | 210 | -63.4 |
| 16 | Ibstock Johnsen | 611 | 361 | -38.1 |
| 17 | Wace Group | 471 | 419 | -38.1 |
| 18 | Clyde Petroleum | 213 | 341 | -36.4 |
| 19 | Mowlem (John) | 613 | 440 | -22.9 |
| 20 | Countryside Properties | 161 | 471 | -14.8 |
| 21 | Thorntons | 451 | 475 | -14.0 |
| 22 | Vickers | 566 | 203 | -13.5 |
| 23 | ASW Holdings | 633 | 410 | -13.1 |
| 24 | British Bio-technology Group | 433 | 409 | -5.5 |
| 25 | Savoy Hotel | 464 | 264 | -3.7 |

*These figures represent a change from profit to loss or from a loss to a further loss





# THE FT500

500

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| Ranking 1993 | 1992 | company | country | Market Capital $m | Sector | Turnover Rank | Turnover This year $m | Turnover Last year $m | per cent change | Profit this year $m | Profit last year $m | per cent change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | Royal Dutch/Shell | Nuk | 86783.7 | 212 | 1 | 83932.3 | 86604.3 | -5.3 | 8104.0 | 8297.7 | -2.3 | 14.2 | 127000 | 31/12/92 |
| 2 | 3 | BT | UK | 40928.1 | 223 | 24 | 20198.3 | 20343.2 | -0.7 | 3007.9 | 4687.3 | -35.8 | 15.0 | 170700 | 31/03/93 |
| 3 | 6 | Roche Holding | Swi | 35683.6 | 622 | 68 | 9148.3 | 8085.7 | 13.1 | 1886.6 | 1436.4 | 31.4 | 16.1 y | 56335 | 31/12/92 |
| 4 | 7 | Allianz Holding | Ger | 30667.4 | 151 | 0 | N/R | N/R | 0.0 | 903.4 | 1101.0 | -17.9 | 0 | 74504 | 31/12/92 |
| 5 | 4 | Unilever plc/NV | Nuk | 30455.1 | 451 | 8 | 37675.4 | 35331.0 | 6.6 | 3094.9 | 2733.4 | 13.2 | 28.9 | 287000 | 31/12/92 |
| 6 | 5 | Nestle | Swi | 29686.8 | 451 | 7 | 38483.3 | 35648.9 | 8.0 | 3162.8 | 3178.9 | -0.8 | 23.7 y | 218005 | 31/12/92 |
| 7 | 2 | Glaxo Holdings | UK | 29175.5 | 433 | 81 | 7519.8 | 6247.7 | 20.4 | 2554.9 | 2176.6 | 17.4 | 40.1 | 40024 | 30/06/93 |
| 8 | 19 | HSBC Holdings | UK | 27351.9 | 112 | 0 | N/R | N/R | 0.0 | 2606.3 | 1342.3 | 94.3 a | 36.2 | 99148 | 31/12/92 |
| 9 | 12 | British Petroleum | UK | 26963.1 | 212 | 4 | 50716.9 | 49745.3 | 2.0 | 170.8 | 1835.0 | -90.7 | 3.9 | 105750 | 31/12/92 |
| 10 | 8 | Siemens | Ger | 22650.0 | 541 | 5 | 48450.4 | 45055.8 | 7.5 | 1973.0 | 2109.9 | -6.5 | 7.0 | 413000 | 30/09/92 |
| 11 | 9 | BAT Industries | UK | 22593.2 | 171 | 20 | 24414.3 | 21075.4 | 15.8 | 2509.2 | 1496.3 | 67.7 | 7.7 | 197989 - | 31/12/92 |
| 12 | 10 | Deutsche Bank | Ger | 22596.3 | 112 | 0 | N/R | N/R | 0.0 | 2259.1 | 2092.1 | 8.0 a | 19.3 y | 74256 | 31/12/92 |
| 13 | 14 | British Gas | UK | 21681.8 | 222 | 31 | 15840.6 | 15993.0 | -2.2 | 1290.4 | 2240.7 | -42.4 | 11.3 | 79377 • | 31/12/92 |
| 14 | 13 | Daimler-Benz | Ger | 21344.0 | 401 | 2 | 60617.7 | 58633.7 | 3.7 | 1257.1 | 1839.7 | -31.7 | 7.7 | 382633 | 31/12/92 |
| 15 | 25 | Union Bank of Switzerland | Swi | 20321.2 | 112 | 0 | N/R | N/R | 0.0 | 1367.2 | 1172.2 | 16.8 < | 11.3 y | 27280 | 31/12/92 |
| 16 | 21 | BTR | UK | 19133.3 | 591 | 42 | 13486.4 | 10283.7 | 31.1 | 1665.0 | 1398.7 | 18.3 | 22.9 | 135133 | 31/12/92 |
| 17 | 18 | Elf Aquitaine | Fra | 18743.8 | 212 | 10 | 35382.6 | 35402.2 | -0.1 | 1900.9 | 2937.0 | -35.3 | 8.9 | 87922 | 31/12/92 |
| 18 | 17 | Alcatel Alsthom | Fra | 18494.8 | 533 | 14 | 28522.5 | 28241.1 | 1.0 | 1931.1 | 2112.1 | -8.6 | 15 y | 203000 | 31/12/92 |
| 19 | 16 | Hanson | UK | 18367.8 | 171 | 43 | 13419.8 | 11731.2 | 14.4 | 1961.6 | 2007.3 | -2.3 | 16.4 | 75000 - | 30/09/93 |
| 20 | 23 | Generali (Assicurazioni) | Ita | 18347.3 | 151 | 0 | N/R | N/R | 0.0 | 725.3 | 816.8 | -11.2 | 0 y | 33311 | 31/12/92 |
| 21 | 20 | Sandoz | Swi | 16740.3 | 433 | 62 | 10179.4 | 9493.0 | 7.2 | 1396.1 | 786.6 | 77.7 | 18.1 y | 53360 | 31/12/92 |
| 22 | 22 | Marks and Spencer | UK | 16380.8 | 491 | 69 | 9077.2 | 8889.6 | 2.1 | 1124.2 | 898.4 | 25.1 | 23.0 | 62080 - | 31/03/93 |
| 23 | 11 | SmithKline Beecham | UK | 15609.6 | 433 | 77 | 7960.6 | 7146.1 | 11.4 | 1700.7 | 1528.4 | 11.3 | 48.4 | 53700 | 31/12/92 |
| 24 | 39 | Cable & Wireless | UK | 14812.5 | 223 | 110 | 5835.6 | 4844.7 | 20.5 | 1400.2 | 981.5 | 42.7 | 26.0 | 39837 - | 31/03/93 |
| 25 | 33 | General Electric Company | UK | 14798.3 | 541 | 72 | 8560.1 | 8807.2 | -2.8 | 1316.4 | 1264.5 | 4.1 | 23.3 | 93228 | 31/03/93 |
| 26 | 24 | Ciba | Swi | 14164.9 | 622 | 30 | 15678.6 | 14882.8 | 5.3 | 1073.3 | 903.8 | 18.8 | 8.7 y | 90554 • | 31/12/92 |
| 27 | 37 | Muenchener Ruckversicherungs | Ger | 13975.6 | 151 | 0 | N/R | N/R | 0.0 | 223.4 | 161.1 | 38.7 | 0 | 3510 | 30/06/92 |
| 28 | 27 | Grand Metropolitan | UK | 13237.2 | 421 | 48 | 12068.9 | 13343.5 | -9.5 | 1410.9 | 683.3 | 106.5 | 26.6 | 102405 - | 30/09/92 |
| 29 | 15 | Guinness | UK | 12952.0 | 421 | 90 | 6655.0 | 6203.5 | 7.3 | 1212.6 | 1458.2 | -16.8 | 26.8 | 24538 | 31/12/92 |
| 30 | 41 | National Westminster Bank | UK | 12787.6 | 112 | 0 | N/R | N/R | 0.0 | 617.8 | 167.8 | 268.2 < | 14.4 | 85900 • | 31/12/92 |
| 31 | 44 | Barclays | UK | 12749.7 | 112 | 0 | N/R | N/R | 0.0 | -369.1 | 813.0 | 0.0 < | 0.7 | 76852 • | 31/12/92 |
| 32 | 32 | Astra | Swe | 12595.0 | 433 | 248 | 1944.3 | 1561.3 | 24.5 | 639.4 | 425.9 | 50.1 | 49.8 | 11268 | 31/12/92 |
| 33 | 35 | Veba | Ger | 12381.5 | 171 | 6 | 40371.9 | 36722.6 | 9.9 | 1151.2 | 1604.4 | -28.2 | 6.1 y | 129802 | 31/12/92 |
| 34 | 34 | Bayer | Ger | 12333.6 | 622 | 18 | 25422.7 | 26167.0 | -2.8 | 1661.9 | 1978.5 | -16.0 | 10.9 | 156860 | 31/12/92 |
| 35 | 59 | Total | Fra | 12037.0 | 212 | 21 | 24099.9 | 25230.9 | -4.5 | 957.9 | 1425.3 | -32.8 | 10.9 | 51139 | 31/12/92 |
| 36 | 68 | CS Holding | Swi | 11873.9 | 112 | 0 | N/R | N/R | 0.0 | 1208.2 | 1180.6 | 2.3 a | 20.4 | n/a | 31/12/92 |
| 37 | 103 | Ericsson LM | Swe | 11831.6 | 533 | 108 | 5872.4 | 5719.2 | 2.7 | 201.7 | 262.5 | -23.2 | 10.0 y | 66232 | 31/12/92 |
| 38 | 62 | Swiss Bank Corporation | Swi | 11782.0 | 112 | 0 | N/R | N/R | 0.0 | 901.0 | 961.7 | -6.3 < | 11.5 y | 23745 | 31/12/92 |
| 39 | 26 | Sainsbury J | UK | 11694.0 | 493 | 37 | 14773.5 | 13263.4 | 11.4 | 1117.8 | 957.9 | 16.7 | 22.9 | 120119 | 13/03/93 |
| 40 | 42 | Generale des Eaux | Fra | 11690.0 | 221 | 19 | 26295.5 | 23802.5 | 6.3 | 717.9 | 696.6 | 3.1 | 19.1 y | 198813 | 31/12/92 |
| 41 | 0 | Reed Elsevier | Nuk | 11643.4 | 472 | 163 | 3753.8 | 3450.3 | 8.8 | 628.4 | 527.8 | 19.1 + | 17.9 | 25000 • | 31/12/92 |
| 42 | 36 | L'Oreal | Fra | 11558.0 | 432 | 92 | 6627.5 | 5900.2 | 12.3 | 658.2 | 621.3 | 5.6 | 25.2 | 31908 | 31/12/92 |
| 43 | 149 | SIP | Ita | 11512.0 | 223 | 41 | 13739.8 | 12399.2 | 10.8 | 594.5 | 383.7 | 54.9 | 4.9 | 89293 | 31/12/92 |
| 44 | 43 | Lloyds Bank | UK | 11263.5 | 112 | 0 | N/R | N/R | 0.0 | 1221.8 | 983.8 | 24.2 < | 37.7 | 67083 | 31/12/92 |
| 45 | 47 | Telefonica | Spa | 11118.6 | 223 | 66 | 9260.3 | 8035.2 | 15.2 | 723.5 | 984.4 | -26.5 | 9.6 | 83802 | 31/12/92 |
| 46 | 38 | RTZ Corporation | UK | 11009.2 | 634 | 129 | 4954.2 | 5417.9 | -8.6 | 619.1 | 663.5 | 23.4 | 13.1 | 68298 - | 31/12/92 |
| 47 | 40 | ABB Asea Brown Boveri | Swe/Swi | 10967.7 | 541 | 13 | 29615.0 | 28883.0 | 2.5 | 946.0 | 1048.0 | -9.7 | 14.9 y | 213407 | 31/12/92 |
| 48 | 54 | Endesa | Spa | 10595.4 | 221 | 118 | 5365.9 | 5244.0 | 2.3 | 1183.5 | 1044.3 | 13.3 | 12.3 y | 16374 | 31/12/92 |
| 49 | 60 | Internationale Nederlanden Group | Net | 10591.0 | 121 | 0 | N/R | N/R | 0.0 | 1182.5 | 1129.8 | 4.7 a | 15.4 y | 51010 | 31/12/92 |
| 50 | 49 | Dresdner Bank | Ger | 10565.8 | 112 | 0 | N/R | N/R | 0.0 | 997.4 | 795.1 | 25.4 a | 14.7 y | 45834 | 31/12/92 |
| 51 | 31 | LVMH | Fra | 10480.5 | 422 | 159 | 3820.8 | 3887.5 | -1.7 | 770.1 | 1050.7 | -26.7 | 23.2 y | 15501 | 31/12/92 |
| 52 | 0 | Zeneca | UK | 10363.9 | 433 | 101 | 6069.2 | 5993.0 | 1.3 | 165.6 | 809.9 | -80.6 | 11.2 | 33900 • | 31/12/92 |
| 53 | 30 | BSN Groupe | Fra | 10242.8 | 451 | 46 | 12497.4 | 11655.7 | 7.2 | 1096.3 | 1126.9 | -2.7 | 21.8 y | 58063 • | 31/12/92 |
| 54 | 48 | Reuters Holdings | UK | 10172.5 | 474 | 220 | 2391.1 | 2237.0 | 6.9 | 584.5 | 519.1 | 12.6 | 49.5 | 10185 | 31/12/92 |
| 55 | 45 | Hoechst | Ger | 9971.0 | 622 | 15 | 28307.8 | 29120.0 | -2.8 | 1300.9 | 1581.1 | -17.7 | 10.3 | 177668 | 31/12/92 |
| 56 | 51 | Prudential Corporation | UK | 9627.0 | 141 | 0 | N/R | N/R | 0.0 | 619.3 | 277.6 | 123.1 | 0 | 23619 - | 31/12/92 |
| 57 | 55 | ABN Amro Holding | Net | 9706.7 | 112 | 0 | N/R | N/R | 0.0 | 1409.5 | 1282.6 | 9.9 a | 16.7 y | 50060 | 31/12/92 |
| 58 | 69 | U.A.P. | Fra | 9585.6 | 151 | 0 | N/R | N/R | 0.0 | 477.4 | 1028.7 | -53.6 | 0 y | 44299 | 31/12/92 |
| 59 | 29 | Wellcome | UK | 9185.0 | 433 | 207 | 2687.6 | 2450.1 | 9.7 | 769.8 | 614.6 | 25.3 | 37.0 | 17706 | 29/08/92 |
| 60 | 50 | Electrabel | Bel | 9154.8 | 221 | 111 | 5666.8 | 5466.0 | 3.7 | 846.9 | 767.3 | 10.4 | 13.6 | 17959 | 31/12/92 |
| 61 | 58 | RWE | Ger | 9133.2 | 221 | 11 | 32766.0 | 31928.7 | 2.6 | 1366.9 | 1545.9 | -11.6 | 4.8 | 113642 | 30/06/93 |
| 62 | 65 | Suez (Compagnie Financiere de) | Fra | 9099.4 | 112 | 0 | N/R | N/R | 0.0 | 226.2 | 1605.9 | -85.9 a | 2.6 | 67000 | 31/12/92 |
| 63 | 56 | BASF | Ger | 9064.6 | 622 | 16 | 27476.2 | 28774.5 | -4.5 | 764.9 | 1302.3 | -41.3 | 11.2 | 123500 | 31/12/92 |
| 64 | 54 | Societe Generale | Fra | 8984.2 | 112 | 0 | N/R | N/R | 0.0 | 909.8 | 992.5 | -8.3 | 15.9 | 45158 # | 31/12/92 |
| 65 | 138 | STET | Ita | 8790.5 | 171 | 27 | 17315.6 | 14636.7 | 18.3 | 1767.2 | 1451.9 | 21.0 | 6.8 | 139757 | 31/12/92 |
| 66 | 72 | Repsol | Spa | 8732.3 | 212 | 40 | 14192.2 | 12496.6 | 13.6 | 899.3 | 970.4 | -7.3 | 17.7 | 20707 | 31/12/92 |
| 67 | 71 | Great Universal Stores | UK | 8462.0 | 493 | 145 | 4286.8 | 3961.4 | 8.2 | 724.5 | 676.6 | 7.1 | 14.3 | 29631 - | 31/03/93 |
| 68 | 95 | Axa | Fra | 8418.7 | 171 | 0 | N/R | N/R | 0.0 | 566.5 | 679.9 | -16.7 | 0 | 27472 | 31/12/92 |
| 69 | 66 | Abbey National | UK | 8218.6 | 112 | 0 | N/R | N/R | 0.0 | 860.3 | 942.6 | -8.7 | 21.0 | 15458 | 31/12/92 |
| 70 | 75 | Zurich Insurance | Swi | 7972.5 | 151 | 0 | N/R | N/R | 0.0 | 593.1 | 550.7 | 7.7 | 0 y | 36385 | 31/12/92 |
| 71 | 28 | Imperial Chemical Industries | UK | 7871.3 | 622 | 26 | 18396.9 | 19048.2 | -3.4 | -585.7 | 1285.8 | 0.0 | 0 | 117500 | 31/12/91 |
| 72 | 52 | L'Air Liquide | Fra | 7865.3 | 621 | 119 | 5279.4 | 5613.3 | -5.9 | 641.7 | 693.3 | -7.4 | 15.1 | n/a | 31/12/92 |
| 73 | 78 | Paribas | Fra | 7790.5 | 112 | 0 | N/R | N/R | 0.0 | 642.3 | 381.4 | 68.4 a | 9.5 y | 25346 | 31/12/92 |
| 74 | 79 | Vodafone | UK | 7718.1 | 223 | 315 | 1013.0 | 832.8 | 13.5 | 491.9 | 414.5 | 18.7 | 69.3 | 2333 | 31/03/93 |
| 75 | 81 | Carrefour | Fra | 7696.7 | 493 | 23 | 20665.3 | 17708.2 | 16.7 | 421.1 | 353.9 | 19.0 | 26.0 | 76100 | 31/12/92 |
| 76 | 46 | Allied-Lyons | UK | 7675.0 | 421 | 76 | 8032.3 | 8175.7 | -1.8 | 770.3 | 669.6 | 15.0 | 14.3 | 25810 - | 06/03/93 |
| 77 | 77 | National Power | UK | 7662.7 | 221 | 91 | 6632.1 | 7170.5 | -7.5 | 884.7 | 784.0 | 12.8 | 18.6 | 9934 | 28/03/93 |
| 78 | 53 | Boots Company | UK | 7601.3 | 492 | 102 | 6043.6 | 5578.1 | 8.4 | 618.1 | 570.8 | 8.3 | 25.8 | 79738 - | 31/03/93 |
| 79 | 0 | Rhone-Poulenc | Fra | 7279.7 | 622 | 38 | 14414.8 | 14786.7 | -2.5 | 817.0 | 780.8 | 4.6 | 16.7 y | 83283 | 31/12/92 |
| 80 | 110 | AGF | Fra | 7189.2 | 151 | 0 | N/R | N/R | 0.0 | 602.8 | 639.0 | -6.7 | 0 | 21945 | 31/12/92 |
| 81 | 61 | Saint-Gobain | Fra | 7027.5 | 611 | 44 | 13056.1 | 13242.7 | -1.4 | 664.0 | 778.7 | -14.7 | 15.4 | 104002 | 31/12/92 |
| 82 | 67 | Procordia | Swe | 6797.5 | 433 | 127 | 4979.1 | 4752.7 | 4.8 | 607.6 | 413.4 | 47.0 | 23.6 | 40070 | 31/12/92 |
| 83 | 74 | BAA | UK | 6634.1 | 306 | 342 | 689.4 | 1377.4 | -49.9 | 494.7 | 291.3 | 49.2 | 12.7 | 8417 - | 31/03/93 |
| 84 | 106 | Kingfisher | UK | 6583.8 | 491 | 116 | 5411.7 | 5169.0 | 4.7 | 312.4 | 298.5 | 4.6 | 16.8 | 62799 - | 30/01/93 |
| 85 | 94 | Fiat | Ita | 6448.6 | 401 | 9 | 37672.8 | 36004.2 | 4.6 | 598.5 | 1077.2 | -44.4 | 10.5 y | 285482 | 31/12/92 |
| 86 | 101 | Philips | Net | 6429.8 | 541 | 12 | 32161.2 | 31314.4 | 2.7 | -273.7 | 807.2 | 0.0 | 4.4 | 257671 - | 31/12/92 |
| 87 | 85 | Thorn Emi | UK | 6227.9 | 461 | 87 | 6791.2 | 6031.7 | 12.6 | 442.2 | 225.6 | 96.0 | 24.6 | 49433 - | 31/03/93 |
| 88 | 87 | Volkswagen | Ger | 6115.2 | 401 | 3 | 52704.9 | 47096.4 | 11.9 | 371.5 | 1101.6 | -66.3 | 5.2 | 273309 | 31/12/91 |
| 89 | 96 | Mannesmann | Ger | 6092.9 | 566 | 28 | 17290.6 | 15005.8 | 15.2 | 178.1 | 561.0 | -68.2 | 3.1 | 141250 | 31/12/92 |
| 90 | 133 | Alleanza | Ita | 6090.2 | 151 | 0 | N/R | N/R | 0.0 | 134.9 | 125.3 | 7.6 | 0 y | 3326 • | 31/12/92 |
| 91 | 70 | Petrofina | Bel | 6077.4 | 212 | 32 | 15436.0 | 16558.1 | -6.8 | 260.5 | 851.6 | -69.4 | 6.6 | 15490 - | 31/12/92 |
| 92 | 98 | Banco Bilbao Vizcaya | Spa | 6060.3 | 112 | 0 | N/R | N/R | 0.0 | 689.0 | 1112.4 | -39.9 a | 15.3 | 28500 | 31/12/92 |
| 93 | 57 | Bass | UK | 6048.6 | 421 | 93 | 6569.6 | 6685.5 | -1.7 | 764.2 | 655.9 | 16.5 | 11.7 | 84095 | 30/09/92 |
| 94 | 90 | Bayerische Vereinsbank | Ger | 6041.7 | 112 | 0 | N/R | N/R | 0.0 | 524.9 | 475.0 | 10.5 a | 16.1 y | 21533 | 31/12/92 |
| 95 | 63 | Tesco | UK | 5908.5 | 493 | 53 | 11584.2 | 10825.8 | 6.8 | 866.1 | 832.1 | 6.5 | 18.5 | 86066 | 27/02/93 |
| 96 | 120 | Allianz Lebensversicherungs | Ger | 5894.8 | 151 | 0 | N/R | N/R | 0.0 | 90.8 | 73.4 | 23.6 | 0 y | 4983 | 31/12/92 |
| 97 | 88 | Bayerische Hypo. & Wechsel Bk | Ger | 5888.1 | 112 | 0 | N/R | N/R | 0.0 | 510.8 | 475.2 | 7.5 a | 17.1 y | 16907 | 31/12/92 |
| 98 | 76 | Rothmans International | UK | 5851.4 | 425 | 149 | 4133.0 | 3676.3 | 12.4 | 936.5 | 862.1 | 8.6 | 27.8 | 20370 | 31/03/93 |
| 99 | 86 | Bayerische Motoren Werke | Ger | 5821.5 | 401 | 25 | 19279.8 | 18414.6 | 4.7 | 823.3 | 965.2 | -14.7 | 8.6 | 69106 | 31/12/92 |
| 100 | 84 | Peugeot | Fra | 5786.4 | 401 | 17 | 27420.8 | 28256.8 | -3.0 | 761.5 | 1495.0 | -49.7 | 9.5 y | 150800 | 31/12/92 |
| 101 | 125 | Banco de Santander | Spa | 5721.9 | 112 | 0 | N/R | N/R | 0.0 | 770.3 | 663.7 | -10.6 a | 36.3 y | 20357 | 31/12/91 |
| 102 | 108 | Swiss Reinsurance Group | Swi | 5719.8 | 151 | 0 | N/R | N/R | 0.0 | 352.4 | 341.1 | 3.3 | 0 | 28246 | 31/12/92 |
| 103 | 82 | Cadbury Schweppes | UK | 5696.0 | 451 | 124 | 5144.0 | 4930.3 | 4.3 | 507.5 | 480.0 | 5.7 | 33.9 | 36579 - • | 02/01/93 |
| 104 | 93 | Norsk Hydro | Nor | 5691.2 | 214 | 75 | 8208.3 | 8568.2 | -4.2 | 209.9 | 2.7 | 7715.6 | 7.0 y | 34038 - | 31/12/92 |
| 105 | 99 | Commerzbank | Ger | 5500.4 | 112 | 0 | N/R | N/R | 0.0 | 858.4 | 668.4 | 28.4 a | 19.8 | 30158 | 31/12/92 |
| 106 | 91 | Iberdrola | Spa | 5399.8 | 221 | 105 | 5983.6 | 4097.4 | 46.0 | 628.7 | 654.1 | -3.9 | 10.1 y | 15088 | 31/12/92 |
| 107 | 0 | Argentaria | Spa | 5248.8 | 112 | 0 | N/R | N/R | 0.0 | 327.4 | 185.6 | 76.4 a | 8.5 y | 18410 • | 31/12/92 |
| 108 | 136 | Land Securities | UK | 5246.7 | 161 | 0 | N/R | N/R | 0.0 | 356.0 | 347.0 | 2.6 | 8.1 | 547 | 31/03/93 |
| 109 | 126 | British Airways | UK | 5194.9 | 301 | 73 | 8489.9 | 7968.3 | 6.5 | 282.2 | 662.0 | -57.4 | 11.4 | 48960 - | 31/03/93 |
| 110 | 143 | SMH | Swi | 5173.7 | 591 | 247 | 1950.3 | 1626.9 | 19.9 | 360.1 | 211.1 | 70.6 | 27.4 y | 14304 | 31/12/92 |
| 111 | 121 | Powergen | UK | 5106.6 | 221 | 132 | 4862.7 | 4723.9 | 2.9 | 648.3 | 547.6 | 18.4 | 21.5 | 5715 | 04/04/93 |
| 112 | 145 | TSB Group | UK | 5089.1 | 112 | 0 | N/R | N/R | 0.0 | 65.6 | -71.7 | 0.0 | 6.5 | 36715 • | 31/10/92 |
| 113 | 92 | Banco Central Hispanoamericano | Spa | 5038.5 | 112 | 0 | N/R | N/R | 0.0 | 851.0 | 853.3 | -23.7 a | 13.4 | 35736 - • | 31/12/92 |
| 114 | 73 | Argyll Group | UK | 5035.4 | 493 | 78 | 7926.0 | 7213.6 | 9.9 | 636.5 | 556.0 | 14.5 | 26.8 | 65937 | 03/04/93 |
| 115 | 97 | Richemont (Compagnie Financiere) | Swi | 5031.3 | 171 | 52 | 11701.2 | 10687.3 | 9.5 | 994.4 | 945.9 | 5.1 | 23.8 | n/a | 31/03/93 |
| 116 | 104 | Fortis | Be/Ne | 5026.3 | 151 | 0 | N/R | N/R | 0.0 | 618.4 | 599.0 | 3.2 | 0 y | 22218 - | 31/12/92 |
| 117 | 115 | Commercial Union | UK | 5023.2 | 151 | 0 | N/R | N/R | 0.0 | 47.9 | -104.6 | 0.0 | 0 | 9132 • | 31/12/92 |
| 118 | 118 | Viag | Ger | 4890.1 | 622 | 35 | 15002.9 | 14556.1 | 3.1 | 454.9 | 528.4 | -13.9 | 7.2 y | 84543 | 31/12/92 |
| 119 | 119 | General Accident | UK | 4818.7 | 151 | 0 | N/R | N/R | 0.0 | -44.7 | -261.7 | 0.0 | 0 | 13162 • | 31/12/92 |
| 120 | 117 | Aegon | Net | 4780.7 | 151 | 0 | N/R | N/R | 0.0 | 555.6 | 543.5 | 2.2 | 0 y | 18004 | 31/12/92 |
| 121 | 127 | P & O Steam Navigation | UK | 4761.8 | 303 | 74 | 8432.5 | 7469.8 | 12.9 | 412.4 | 355.4 | 16.1 | 12.8 | 71133 | 31/12/92 |
| 122 | 182 | Scottish Power | UK | 4748.9 | 221 | 228 | 2258.5 | 2112.0 | 7.3 | 453.2 | 397.3 | 14.0 | 30.4 | 8724 - | 31/03/93 |
| 123 | 113 | Sun Alliance Group | UK | 4733.2 | 151 | 0 | N/R | N/R | 0.0 | -197.7 | -711.1 | 0.0 | 0 | 18239 | 31/12/92 |
| 124 | 175 | Bank Austria | Aus | 4699.9 | 112 | 0 | N/R | N/R | 0.0 | 117.2 | 159.6 | -26.5 a | 4.7 y | 9587 | 31/12/92 |
| 125 | 114 | Lloyds Abbey Life | UK | 4638.4 | 141 | 0 | N/R | N/R | 0.0 | 453.9 | 435.5 | 4.2 | 0 | 10230 - | 31/12/92 |

## Footnotes to companies listed on this page

13 British Gas, figures prepared according to current cost accounting. 1991 figures are pro forma for 12 months to 31/12/91.

28 Ciba, profit is net of tax and minorities.

30 National Westminster Bank, employees = UK average.

31 Barclays, employees = UK average.

41 Reed Elsevier, merger of Reed International and Elsevier effective 1/1/93. Figures are pro forma as if merger had been effective at start of 1991.

52 Zeneca, demerger from Imperial Chemical Industries. Stock Exchange listing 6/93.

53 BSN Groupe, ROCE based on pre tax profit and net interest

90 Alleanza, employees = parent company.

103 Cadbury Schweppes, this year's figures are for 53 weeks to 2/3/93

107 Argentaria, stock exchange listing 5/93.

112 TSB Group, employees = UK average.

113 Banco Central Hispanoamericano, figures are pro forma.

117 Commercial Union, employees = UK average

119 General Accident, employees = UK average.

# THE FT500

## 500 126-250

■ **Footnotes to companies listed on this page**

156 Legal & General Group, employees = UK average.
158 Generale de Banque, employees = parent company.
163 RAS,employees = parent company.
165 Standard Chartered, employees = UK average
166 Schneider SA, formerly SPEP. Absorption of Groupe Schneider Sept 93.
173 Associated British Foods, last year's figures for 76 weeks to 14/9/91.
185 Kredietbank, this year's figures for 9 months to 31/12/92, last year's figures for 12 months to 31/03/92. Profit is net of tax.
189 Royal Insurance Holdings, employees = UK average.
201 Promodes, ROCE based on pre tax profit and net interest.
204 United Biscuits (Holdings), this year's figures are for 53 weeks to 2/1/93.
211 Accor, figures not comparable with 1991 results due to consolidation of Compagnie Internationale des Wagons-Lits .Pro forma 1991 turnover Ffr 27648m.
217 Allied Irish Banks, this year's figures for 9 months to 31/12/92, last year's figures for 12 months to 31/3/92.
220 Warburg S.G. Group, employees = UK average.
224 Asda Group, last year's figures for 53 weeks to 2/5/92.
228 Schroders,profit = profit after tax and transfer to inner reserves. Employees = UK average.
230 Ahold, this year's figures for 53 weeks to 31/12/92.
235 *Matra Hachette, merger of Matra and Hachette Dec 92 effective 1/1/92. 1991 figures are pro forma.*



| Ranking 1993 | 1992 | company | country | Market Capital $m | Sector | Turnover Rank | This year $m | Last year $m | per cent change | Profit This year $m | Last year $m | per cent change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 126 | 89 | Lyonnaise des Eaux-Dumez | Fra | 4634.5 | 221 | 45 | 12700.3 | 15433.8 | -17.7 | 452.2 | 393.2 | 15.0 | 9.6 y | 127552 | 31/12/92 |
| 127 | 116 | Societe Generale de Belgique | Bel | 4572.4 | 171 | 113 | 5525.5 | 6727.9 | -18.4 | 310.3 | 342.9 | -9.5 | 6.8 | 29164 | 31/12/92 |
| 128 | 80 | BOC Group | UK | 4548.3 | 622 | 147 | 4166.0 | 4146.6 | 0.5 | 327.9 | 473.0 | -30.7 | 14.0 | 38702 | 30/09/92 |
| 129 | 102 | Canal + | Fra | 4543.8 | 474 | 286 | 1400.2 | 1234.5 | 13.4 | 274.8 | 291.4 | -5.9 | 30.1 | 2497 | 31/12/92 |
| 130 | 132 | Pearson | UK | 4509.5 | 472 | 216 | 2484.1 | 2441.1 | 1.8 | 230.0 | 273.9 | -16.0 | 14.6 | 27999 - | 31/12/92 |
| 131 | 153 | Lafarge Coppee | Fra | 4370.3 | 611 | 117 | 5372.1 | 5583.4 | -3.8 | 369.8 | 343.7 | 7.5 | 11.8 | 29862 | 31/12/92 |
| 132 | 166 | Redland | UK | 4339.8 | 611 | 196 | 2883.2 | 1981.7 | 45.5 | 337.9 | 284.2 | 18.9 | 15.2 | 22069 | 31/12/92 |
| 133 | 124 | Akzo | Net | 4329.7 | 622 | 67 | 9289.3 | 9259.9 | 0.0 | 522.0 | 463.8 | 12.5 | 13.0 y | 62500 | 31/12/92 |
| 134 | 123 | Eurotunnel Group | Uk/Fr | 4254.4 | 304 | 0 | N/R | N/R | 0.0 | -2.4 | -0.2 | 0.0 | 0 | 549 | 31/12/92 |
| 135 | 130 | Rodamco | Net | 4213.0 | 181 | 0 | N/R | N/R | 0.0 | 290.7 | 221.5 | 31.3 | 7.3 | n/a | 28/02/93 |
| 136 | 129 | Volvo | Swe | 4190.0 | 401 | 61 | 10368.8 | 9644.6 | 7.5 | -413.6 | 139.0 | 0.0 | 1.9 y | 60115 | 31/12/92 |
| 137 | 156 | Schering | Ger | 4164.9 | 622 | 158 | 3867.8 | 3924.7 | -1.4 | 322.5 | 287.5 | 12.2 | 11.3 | 26034 | 31/12/92 |
| 138 | 111 | Inchcape | UK | 4114.3 | 171 | 80 | 7682.6 | 5545.8 | 38.5 | 381.5 | 282.5 | 35.0 | 32.8 | 38573 - | 31/12/92 |
| 139 | 192 | Tomkins | UK | 4073.9 | 671 | 186 | 3141.4 | 1943.5 | 61.6 | 260.8 | 201.6 | 29.4 | 30.0 | 30511 | 01/05/93 |
| 140 | 163 | Rank Organisation | UK | 4066.8 | 461 | 182 | 3197.1 | 3224.8 | -0.9 | 361.0 | 392.1 | -8.1 | 12.4 | 41991 | 31/10/92 |
| 141 | 162 | GAN | Fra | 4033.4 | 151 | 0 | N/R | N/R | 0.0 | 168.4 | 645.9 | -73.9 | 0 | n/a | 31/12/92 |
| 142 | 134 | Winterthur Versicherung | Swi | 4003.2 | 151 | 0 | N/R | N/R | 0.0 | 278.9 | 292.4 | -4.6 | 0 | 19807 | 31/12/92 |
| 143 | 109 | Heineken | Net | 3983.4 | 421 | 130 | 4914.6 | 4778.4 | 2.9 | 398.0 | 365.4 | 8.9 | 14.0 | 23112 | 31/12/92 |
| 144 | 216 | Royal Bank of Scotland Group | UK | 3960.3 | 112 | 0 | N/R | N/R | 0.0 | 31.9 | 88.0 | -63.6 | 6.3 | 23457 | 30/09/92 |
| 145 | 141 | Sandvik | Swe | 3958.9 | 562 | 233 | 2160.3 | 2192.9 | -1.9 | 187.0 | 221.8 | -15.7 | 9.4 | 25699 | 31/12/92 |
| 146 | 131 | Thyssen | Ger | 3921.2 | 633 | 22 | 22085.8 | 22563.4 | -2.2 | 456.4 | 622.3 | -26.6 | 5.5 | 148272 | 31/12/92 |
| 147 | 229 | British Steel | UK | 3920.9 | 633 | 94 | 6563.5 | 7013.4 | -6.4 | -227.3 | -83.9 | 0.0 | 0 | 45600 | 03/04/93 |
| 148 | 173 | A/S D/S Svendborg | Den | 3911.5 | 303 | 362 | 16.4 | 14.9 | 10.5 | 34.4 | 32.8 | 4.9 | 12.9 | n/a | 31/12/92 |
| 149 | 171 | D/S af 1912 | Den | 3894.8 | 303 | 363 | 16.4 | 14.9 | 10.1 | 30.9 | 30.2 | 2.5 | 13.9 | n/a | 31/12/92 |
| 150 | 160 | Hochtief | Ger | 3869.4 | 613 | 189 | 3070.5 | 2083.2 | 47.4 | 150.5 | 99.8 | 50.8 | 7.8 | 29254 | 31/12/92 |
| 151 | 135 | Whitbread | UK | 3848.5 | 421 | 168 | 3579.0 | 3342.3 | 7.1 | 270.0 | 180.9 | 49.2 | 7.3 | 64665 - | 27/02/93 |
| 152 | 112 | Elf Sanofi | Fra | 3808.8 | 433 | 162 | 3782.5 | 3458.5 | 9.4 | 302.0 | 245.4 | 23.1 | 14.4 | 24625 | 31/12/92 |
| 153 | 128 | Havas (Agence) | Fra | 3794.7 | 475 | 128 | 4971.9 | 4674.5 | 6.4 | 325.5 | 393.8 | -17.3 | 23.9 | 12430 | 31/12/92 |
| 154 | 201 | AMB Aachener & Muenchener Betel | Ger | 3712.8 | 151 | 0 | N/R | N/R | 0.0 | 67.4 | 63.3 | 6.5 | 0 | 19106 # | 31/12/92 |
| 155 | 146 | Preussag | Ger | 3690.9 | 634 | 34 | 15103.5 | 15708.8 | -3.9 | 369.3 | 392.4 | -0.8 | 7.7 y | 73680 | 30/09/92 |
| 156 | 167 | Legal & General Group | UK | 3614.9 | 141 | 0 | N/R | N/R | 0.0 | 177.1 | 59.2 | 199.2 | 0 | 8077 - * | 31/12/92 |
| 157 | 122 | Reckitt & Colman | UK | 3551.5 | 431 | 196 | 2904.7 | 3030.6 | -4.2 | 277.2 | 356.9 | -22.3 | 35.4 | 20800 - | 02/01/93 |
| 158 | 140 | Generale de Banque | Bel | 3513.7 | 112 | 0 | N/R | N/R | 0.0 | 473.5 | 393.6 | 20.3 a | 18.2 y | 14444 - * | 31/12/92 |
| 159 | 137 | Tractebel | Bel | 3507.3 | 221 | 84 | 7253.5 | 6766.0 | 7.2 | 930.6 | 883.3 | 5.4 | 12.7 | 33985 | 31/12/92 |
| 160 | 183 | Banco Popular Espanol | Spa | 3497.7 | 112 | 0 | N/R | N/R | 0.0 | 643.9 | 612.3 | 5.2 a | 41.0 y | 12114 | 31/12/91 |
| 161 | 157 | Bowater Industries | UK | 3449.7 | 651 | 227 | 2303.2 | 1839.7 | 25.2 | 224.5 | 151.0 | 48.7 | 26.5 | 22100 - | 31/12/92 |
| 162 | 107 | Michelin | Fra | 3444.1 | 574 | 51 | 11793.0 | 11934.4 | -1.2 | 271.1 | -108.0 | 0.0 | 9.9 | 130686 | 31/12/92 |
| 163 | 282 | RAS | Ita | 3442.5 | 151 | 0 | N/R | N/R | 0.0 | 110.8 | 316.5 | -65.0 | 0 y | 3551 * | 31/12/92 |
| 164 | 105 | Pernod Ricard | Fra | 3430.2 | 422 | 213 | 2557.5 | 2685.2 | -4.8 | 291.4 | 263.2 | 10.7 | 19.0 | 9381 | 31/12/92 |
| 165 | 259 | Standard Chartered | UK | 3428.4 | 112 | 0 | N/R | N/R | 0.0 | 308.1 | 313.1 | -1.6 < | 29.3 | 2959 * | 31/12/92 |
| 166 | 0 | Schneider SA | Fra | 3417.3 | 171 | 56 | 10870.8 | 10426.6 | 4.3 | 229.3 | 264.1 | -13.2 | 21.5 y | 97451 * | 31/12/92 |
| 167 | 159 | Wolters Kluwer | Net | 3403.6 | 472 | 296 | 1294.0 | 1308.6 | -1.1 | 214.9 | 184.3 | 16.6 | 142.6 | 8139 | 31/12/92 |
| 168 | 186 | Mediobanca | Ita | 3361.4 | 121 | 0 | N/R | N/R | 0.0 | 303.2 | 238.1 | 27.4 | 18.4 y | 307 | 30/06/92 |
| 169 | 144 | Linde | Ger | 3357.6 | 508 | 137 | 4649.6 | 4265.3 | 9.0 | 294.4 | 294.2 | 0.1 | 18.1 y | 30424 | 31/12/92 |
| 170 | 147 | Enterprise Oil | UK | 3340.0 | 213 | 328 | 820.8 | 743.0 | 10.5 | 221.0 | 174.5 | 26.7 | 10.8 | 655 | 31/12/92 |
| 171 | 139 | Banco Exterior | Spa | 3321.2 | 112 | 0 | N/R | N/R | 0.0 | 86.8 | 247.1 | -64.9 a | 4.1 | 10833 - | 31/12/92 |
| 172 | 170 | Eridania Beghin-Say | Fra | 3312.7 | 451 | 71 | 8775.2 | 7216.9 | 21.6 | 366.3 | 295.3 | 24.0 | 26.9 | 25036 | 31/12/92 |
| 173 | 148 | Associated British Foods | UK | 3300.5 | 451 | 104 | 6031.1 | 7439.0 | 0.0 | 453.0 | 708.8 | 0.0 | 16.2 | 51724 * | 30/09/92 |
| 174 | 161 | VEW | Ger | 3252.3 | 221 | 146 | 4169.2 | 4151.9 | 0.3 | 265.6 | 212.3 | 25.1 | 6.0 y | 8033 | 31/12/92 |
| 175 | 151 | Ladbroke Group | UK | 3227.4 | 461 | 98 | 6355.2 | 5774.4 | 10.1 | 61.2 | 320.9 | -80.9 | 4.9 | 52894 | 31/12/92 |
| 176 | 169 | Thomson-CSF | Fra | 3211.8 | 551 | 103 | 6033.3 | 6208.0 | -2.8 | 330.8 | 464.9 | -28.8 | 15.6 y | 42350 | 31/12/92 |
| 177 | 247 | Granada Group | UK | 3209.0 | 461 | 239 | 2043.0 | 2080.7 | -1.8 | 196.6 | 86.8 | 128.8 | 20.7 | 18385 | 26/09/92 |
| 178 | 184 | Thames Water | UK | 3200.7 | 221 | 273 | 1590.6 | 1371.7 | 16.0 | 383.3 | 360.4 | 6.3 | 14.8 | 10352 | 31/03/93 |
| 179 | 252 | Minorco | Lux | 3180.2 | 641 | 264 | 1725.5 | 1068.0 | 3.5 | 257.1 | 253.4 | 1.5 | 8.7 | 7471 | 30/06/93 |
| 180 | 197 | Siebe | UK | 3172.4 | 591 | 217 | 2468.9 | 2483.2 | -0.6 | 282.3 | 258.7 | 9.1 | 22.1 | 29644 | 03/04/93 |
| 181 | 168 | Rentokil Group | UK | 3161.5 | 622 | 341 | 710.7 | 593.3 | 19.8 | 186.6 | 144.3 | 29.3 | 80.3 | 15092 | 31/12/92 |
| 182 | 155 | Courtaulds | UK | 3159.3 | 621 | 184 | 3163.8 | 2963.1 | 6.8 | 293.9 | 284.2 | 3.4 | 27.8 | 21600 - | 31/03/93 |
| 183 | 241 | Holderbank Management | Swi | 3143.6 | 611 | 114 | 5533.1 | 4214.2 | 31.3 | 400.4 | 275.4 | 45.4 | 12.6 | 35245 | 31/12/92 |
| 184 | 243 | Banesto Group | Spa | 3139.6 | 112 | 0 | N/R | N/R | 0.0 | 226.5 | 471.1 | -51.9 a | 10.0 y | 15927 | 31/12/92 |
| 185 | 193 | Kredietbank | Bel | 3098.6 | 112 | 0 | N/R | N/R | 0.0 | 208.8 | 213.0 | 0.0 a | 11.6 y | 9689 * | 31/12/92 |
| 186 | 204 | Den Danske Bank | Den | 3068.2 | 112 | 0 | N/R | N/R | 0.0 | -241.6 | 187.7 | 0.0 | 0 | 13898 | 31/12/92 |
| 187 | 152 | Pechiney International | Fra | 3045.0 | 672 | 99 | 6232.4 | 6587.7 | -5.4 | 470.7 | 209.4 | 124.8 | 20.7 | 35138 - | 31/12/92 |
| 188 | 185 | Svenska Cellulosa | Swe | 3028.1 | 651 | 153 | 4013.7 | 4091.5 | -1.9 | 56.3 | 153.0 | -63.2 | 10.1 | 29623 | 31/12/92 |
| 189 | 303 | Royal Insurance Holdings | UK | 3017.5 | 151 | 0 | N/R | N/R | 0.0 | -181.5 | -568.9 | 0.0 | 0 | 15890 * | 31/12/92 |
| 190 | 287 | Blue Circle Industries | UK | 2970.4 | 611 | 236 | 2089.8 | 1753.2 | 19.2 | 143.1 | 150.4 | -4.9 | 10.5 | 22188 - | 31/12/92 |
| 191 | 160 | Scottish & Newcastle | UK | 2968.1 | 421 | 226 | 2309.9 | 2268.2 | 1.8 | 278.4 | 318.9 | -12.7 | 13.7 | 28487 - | 02/05/93 |
| 192 | 205 | Bank of Scotland | UK | 2955.6 | 112 | 0 | N/R | N/R | 0.0 | 191.1 | 214.6 | -10.9 < | 14.3 | 17150 | 28/02/93 |
| 193 | 299 | MEPC | UK | 2937.3 | 161 | 0 | N/R | N/R | 0.0 | 167.2 | 218.6 | -23.5 | 6.7 | 1047 | 30/09/92 |
| 194 | 248 | Forte | UK | 2935.0 | 464 | 148 | 4150.4 | 4060.4 | 2.2 | 250.2 | 90.0 | 178.0 | 7.4 | 81000 - | 31/01/93 |
| 195 | 177 | Isar Amperwerke | Ger | 2919.1 | 221 | 299 | 1239.4 | 1129.9 | 9.7 | 63.0 | 61.3 | 2.7 | 3.1 | 5498 | 30/06/92 |
| 196 | 187 | Severn Trent | UK | 2914.6 | 221 | 288 | 1379.6 | 1253.4 | 10.1 | 412.0 | 417.9 | -1.4 | 13.6 | 10519 - | 31/03/93 |
| 197 | 142 | Solvay | Bel | 2910.1 | 622 | 82 | 7310.3 | 7319.6 | -0.1 | 329.9 | 424.1 | -22.2 | 9.3 y | 45350 | 31/12/92 |
| 198 | 174 | North West Water | UK | 2909.0 | 221 | 293 | 1339.1 | 1203.8 | 11.3 | 378.9 | 351.0 | 7.4 | 13.9 | 8061 | 31/03/93 |
| 199 | 0 | Skandinaviska Enskilda Banken | Swe | 2884.3 | 112 | 0 | N/R | N/R | 0.0 | -851.3 | 227.6 | 0.0 | 0 y | 11610 | 31/12/92 |
| 200 | 172 | Karstadt | Ger | 2840.8 | 491 | 54 | 11416.0 | 10569.5 | 8.0 | 345.9 | 288.9 | 19.7 | 11.9 y | 77580 | 31/12/92 |
| 201 | 239 | Promodes | Fra | 2828.6 | 491 | 36 | 14864.4 | 13472.8 | 10.3 | 175.8 | 154.9 | 13.5 | 17.9 y | 49238 - * | 31/12/92 |
| 202 | 208 | Guardian Royal Exchange | UK | 2818.0 | 151 | 0 | N/R | N/R | 0.0 | 228.8 | 85.4 | 167.9 | 0 | 7839 | 31/12/92 |
| 203 | 165 | Novo Nordisk | Den | 2806.6 | 433 | 270 | 1613.7 | 1411.8 | 14.3 | 252.9 | 220.2 | 14.9 | 18.6 | 10180 | 31/12/92 |
| 204 | 178 | United Biscuits (Holdings) | UK | 2802.9 | 451 | 136 | 4756.3 | 4544.1 | 4.7 | 247.8 | 300.8 | -17.7 | 20.8 | 38698 - * | 01/02/93 |
| 205 | 154 | CarnaudMetalbox | Fra | 2802.3 | 671 | 143 | 4380.4 | 4499.0 | -2.6 | 288.4 | 268.3 | 7.5 | 22.8 | 30850 - | 31/12/92 |
| 206 | 260 | Creditanstalt-Bankverein | Aus | 2790.7 | 112 | 0 | N/R | N/R | 0.0 | 151.7 | 183.2 | -17.2 | 5.8 | 11471 | 31/12/92 |
| 207 | 261 | Deutsche Lufthansa | Ger | 2781.9 | 301 | 60 | 10638.7 | 9936.2 | 7.1 | -262.4 | -237.0 | 0.0 | 1.0 | 63645 | 31/12/92 |
| 208 | 210 | Rolls-Royce | UK | 2766.4 | 521 | 115 | 5433.2 | 5361.5 | 1.3 | -280.7 | 77.8 | 0.0 | 0 | 55000 - | 31/12/92 |
| 209 | 226 | Credit Local de France | Fra | 2743.5 | 122 | 0 | N/R | N/R | 0.0 | 317.7 | 311.0 | 2.2 a | 22.3 y | 700 | 31/12/92 |
| 210 | 277 | Cetelem | Fra | 2698.2 | 112 | 0 | N/R | N/R | 0.0 | 193.5 | 158.5 | 22.1 a | 23.4 y | 2733 | 31/12/92 |
| 211 | 181 | Accor | Fra | 2691.8 | 464 | 121 | 5200.6 | 2460.5 | 0.0 | 240.3 | 247.2 | 0.0 | 12.8 y | 144093 * | 31/12/92 |
| 212 | 227 | Victoria Holding | Ger | 2664.5 | 151 | 0 | N/R | N/R | 0.0 | 44.4 | 50.0 | -11.1 | 0 | 11953 | 31/12/92 |
| 213 | 202 | Arjo Wiggins Appleton | UK | 2647.3 | 652 | 154 | 4000.3 | 3793.0 | 5.5 | 246.7 | 353.1 | -30.4 | 13.2 | 19436 | 31/12/92 |
| 214 | 312 | Wolseley | UK | 2638.6 | 611 | 161 | 3799.6 | 2980.5 | 27.5 | 184.6 | 138.8 | 33.0 | 24.5 | 16318 | 31/07/93 |
| 215 | 207 | Credit Comm de France | Fra | 2635.0 | 112 | 0 | N/R | N/R | 0.0 | 223.5 | 222.3 | 0.5 a | 14.3 y | 10500 | 31/12/92 |
| 216 | 253 | Institut Merieux | Fra | 2630.4 | 433 | 301 | 1168.9 | 1006.8 | 16.1 | 182.0 | 109.3 | 66.4 | 27.9 y | 7345 - | 31/12/92 |
| 217 | 244 | Allied Irish Banks | Ire | 2627.9 | 112 | 0 | N/R | N/R | 0.0 | 246.6 | 267.0 | 0.0 < | 23.4 | n/a * | 31/12/92 |
| 218 | 230 | Navigation Mixte | Fra | 2621.7 | 171 | 204 | 2763.7 | 3441.6 | -19.7 | 117.7 | 240.2 | -51.0 | 4.6 | 27275 | 31/12/92 |
| 219 | 250 | Banca Commerciale Italiana | Ita | 2604.7 | 112 | 0 | N/R | N/R | 0.0 | 378.6 | 381.8 | -0.8 a | 11.3 | 22263 | 31/12/92 |
| 220 | 256 | Warburg S.G. Group | UK | 2600.3 | 121 | 0 | N/R | N/R | 0.0 | 226.1 | 253.7 | -10.9 < | 18.8 | 2995 * | 31/03/93 |
| 221 | 213 | Stora | Swe | 2579.9 | 651 | 109 | 5856.8 | 8383.3 | -30.1 | -169.7 | 136.6 | 0.0 | 4.3 | 38881 | 31/12/92 |
| 222 | 231 | Sears | UK | 2575.9 | 492 | 187 | 3108.0 | 3129.0 | -0.7 | -72.9 | 34.8 | 0.0 | 0 | 44019 - | 31/01/93 |
| 223 | 465 | Svenska Handelsbanken | Swe | 2558.7 | 112 | 0 | N/R | N/R | 0.0 | -92.4 | 263.5 | 0.0 | 0 | 7370 | 31/12/92 |
| 224 | 337 | Asda Group | UK | 2553.2 | 493 | 85 | 7N/R37.5 | 6908.3 | 1.9 | 216.7 | -556.4 | 0.0 | 11.7 | 69288 * | 03/05/93 |
| 225 | 203 | AGA | Swe | 2518.1 | 621 | 260 | 1482.5 | 1589.6 | -6.7 | 172.0 | 178.8 | -3.8 | 13.6 | 14166 | 31/12/92 |
| 226 | 254 | Valeo | Fra | 2516.0 | 571 | 166 | 3642.1 | 3505.4 | 3.9 | 147.5 | 115.6 | 27.6 | 13.2 y | 26000 | 31/12/92 |
| 227 | 242 | Coats Viyella | UK | 2510.1 | 412 | 181 | 3218.1 | 3021.0 | 6.5 | 166.4 | 147.5 | 12.8 | 17.6 | 62 - | 31/12/92 |
| 228 | 329 | Schroders | UK | 2451.4 | 121 | 0 | N/R | N/R | 0.0 | 97.6 | 83.0 | 17.6 < | 17.9 | 1448 * | 31/12/92 |
| 229 | 158 | Carlsberg | Den | 2438.5 | 421 | 268 | 1652.4 | 1544.7 | 7.0 | 205.7 | 186.9 | 10.1 | 17.5 | 13777 | 30/09/92 |
| 230 | 189 | Ahold | Net | 2434.2 | 493 | 49 | 11866.3 | 11057.2 | 7.3 | 226.7 | 204.1 | 11.1 | 18.6 | 67542 * | 31/12/92 |
| 231 | 464 | British Aerospace | UK | 2415.1 | 523 | 33 | 15218.1 | 16110.4 | -5.5 | -1831.9 | -170.8 | 0.0 | 0 | 108500 | 31/12/92 |
| 232 | 212 | TI Group | UK | 2412.8 | 566 | 261 | 1753.1 | 1372.0 | 27.8 | 133.3 | 160.5 | -16.9 | 29.2 | 14550 | 31/12/92 |
| 233 | 211 | Williams Holdings | UK | 2403.9 | 591 | 274 | 1579.3 | 1528.0 | 3.4 | 246.0 | 256.7 | -4.2 | 35.9 | 14638 - | 31/12/92 |
| 234 | 0 | Roussel-Uclaf | Fra | 2397.4 | 622 | 211 | 2613.1 | 2531.3 | 3.2 | 254.0 | 147.7 | 72.0 | 28.7 | n/a | 31/12/92 |
| 235 | 0 | Matra Hachette | Fra | 2394.9 | 171 | 64 | 9720.9 | 9369.8 | 3.7 | 241.0 | -169.4 | 0.0 | 9.5 y | 44394 * | 31/12/92 |
| 236 | 208 | Anglian Water | UK | 2379.1 | 221 | 331 | 797.9 | 702.6 | 13.6 | 261.3 | 232.8 | 12.3 | 11.9 | 5224 | 31/03/93 |
| 237 | 318 | RMC Group | UK | 2378.9 | 611 | 135 | 4789.8 | 4267.4 | 12.2 | 254.1 | 255.3 | -0.5 | 14.3 | 26307 | 31/12/92 |
| 238 | 225 | Sydkraft | Swe | 2368.5 | 221 | 313 | 1024.1 | 1063.8 | -3.7 | 186.5 | 212.3 | -12.2 | 14.1 | 5700 | 31/12/92 |
| 239 | 237 | Bouygues | Fra | 2361.8 | 613 | 65 | 11064.9 | 11351.9 | -2.5 | 212.4 | 224.6 | -5.4 | 10.4 y | 63699 | 31/12/92 |
| 240 | 198 | Kaufhof | Ger | 2346.2 | 491 | 59 | 10703.4 | 9563.8 | 11.9 | 241.4 | 209.2 | 15.4 | 17.5 | 60100 | 31/12/92 |
| 241 | 223 | Societe Gen. de Surveillance | Swi | 2337.8 | 481 | 262 | 1746.8 | 1581.5 | 10.5 | 193.6 | 181.8 | 6.5 | 18.7 | 29584 | 31/12/92 |
| 242 | 283 | Southern Electric | UK | 2334.1 | 221 | 205 | 2740.2 | 2670.2 | 2.6 | 285.7 | 253.7 | 12.6 | 27.1 | 7642 | 31/03/93 |
| 243 | 295 | BICC | UK | 2323.5 | 541 | 123 | 5167.8 | 5265.4 | -1.9 | 117.4 | 123.6 | -4.9 | 13.3 | 40118 | 31/12/92 |
| 244 | 279 | Eastern Electricity | UK | 2302.7 | 221 | 195 | 2922.2 | 2864.7 | 2.0 | 279.7 | 218.3 | 28.2 | 20.4 | 8415 | 31/03/93 |
| 245 | 190 | Smith & Nephew | UK | 2286.7 | 431 | 295 | 1308.3 | 1207.6 | 8.3 | 235.8 | 107.2 | 119.9 | 29.1 | 13587 - | 31/12/92 |
| 246 | 188 | NFC | UK | 2272.1 | 306 | 209 | 2629.3 | 2537.7 | 3.6 | 138.8 | 142.9 | -2.9 | 20.1 | 33850 | 03/10/92 |
| 247 | 209 | Carlton Communications | UK | 2270.3 | 474 | 320 | 968.9 | 820.6 | 18.1 | 156.1 | 135.5 | 15.2 | 2.2 | 6267 | 30/09/92 |
| 248 | 290 | Berliner Bank | Ger | 2259.3 | 112 | 0 | N/R | N/R | 0.0 | 90.3 | 93.9 | -3.9 | 0 | 4571 | 31/12/92 |
| 249 | 258 | Scottish Hydro-Electric | UK | 2248.3 | 221 | 305 | 1094.9 | 1021.4 | 7.2 | 223.3 | 187.2 | 19.3 | 17.9 | 3494 | 31/03/93 |
| 250 | 224 | Burmah Castrol | UK | 2236.9 | 214 | 167 | 3640.3 | 3588.2 | 1.5 | 266.8 | 199.4 | 33.8 | 18.7 | 22450 - | 31/12/92 |

# TWO GIANTS

## THE FT500

# 500
## 376-500

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378 Courts, formerly Courts (Furnishers)
379 Newman Tonks Group, this year's figures for fourteen months to 31/12/92, last year's figures for twelve months to 31/10/91.
381 Smith New Court, this year's figures for fifty four weeks to 7/5/93.
382 Anglia Television Group, last year's *figures for 14 months to 31/12/91.*
408 Cater Allen Holdings, profit = profit for the year after providing for rebate and taxation. Employees = UK average.
417 Claremont Garments (Holdings), last year's figures for 48 weeks to 28/12/91.
430 Kenwood Appliances, figures are pro-forma as if net proceeds from the placing Jun 92 had been available at the beginning of the period.
433 Hodder Headline, formerly Headline Book Publishing. Acquisition of Hodder and Stoughton Holdings Jun 93. Figures are for Headline Book Publishing.
445 Brown (David) Group, stock exchange listing 4/93
451 Premier Consolidated Oilfields, last year's figures for 9 months to 31/12/91.
459 Trinity, stock exchange listing 10/92.
461 RJB Mining, stock exchange listing 6/93
476 David Lloyd, stock exchange listing 3/93.
477 RPC Group, stock exchange listing 5/93
483 T & S Stores, this year's figures for 53 weeks to 2/1/93.
484 National Express, stock exchange listing 12/92. Last year's figures for 23 weeks to 31/12/91.
487 *Hambro Insurance, stock exchange* listing 3/93.
489 Wetherspoon, stock exchange listing 10/92.
491 Inveresk, stock exchange listing 6/93.
492 Guinness Peat Group, stock exchange listing 8/93. This year's figures for 15 months. Last year's figures for 12 months to 30/9/91.

| Ranking 1993 | 1992 | company | Market Capital £m | Sector | Rank | Turnover This year £m | Turnover Last year £m | per cent change | Profit this year £m | Profit last year £m | per cent change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 376 | 346 | Sherwood Group | 171.3 | 412 | 309 | 141.0 | 118.2 | 19.3 | 16.9 | 14.5 | 16.7 | 32.8 | 3456 | 31/12/92 |
| 377 | 309 | Raine Industries | 170.5 | 613 | 184 | 446.2 | 363.6 | 22.7 | 10.6 | 10.0 | 7.7 | 8.2 | 3792 | 30/06/93 |
| 378 | 446 | Courts | 170.3 | 412 | 254 | 224.0 | 184.0 | 21.7 | 12.4 | 8.1 | 53.1 | 11.8 | 3629 | 31/03/93 |
| 379 | 347 | Newman Tonks Group | 168.9 | 613 | 232 | 266.5 | 222.0 | 0.0 | 13.2 | 15.1 | 0.0 | 15.5 | 5037 | 31/12/92 |
| 380 | 367 | Johnson Group Cleaners | 168.5 | 406 | 300 | 150.8 | 154.5 | -2.4 | 15.8 | 16.0 | -0.9 | 21.3 | 8421 | 31/12/92 |
| 381 | 0 | Smith New Court | 168.4 | 122 | 0 | N/R | N/R | 0.0 | 38.7 | 18.4 | 0.0 | 0.0 | 1199 | 07/05/93 |
| 382 | 450 | Anglia Television Group | 166.8 | 474 | 310 | 139.4 | 153.4 | 0.0 | 14.5 | 8.4 | 0.0 | 20.7 | 663 | 31/12/92 |
| 383 | 282 | Macallan-Glenlivet | 164.2 | 424 | 411 | 16.8 | 17.4 | -3.7 | 7.0 | 7.3 | -3.4 | 19.8 | 63 | 31/12/92 |
| 384 | 329 | Bodycote International | 164.0 | 591 | 372 | 80.3 | 66.5 | 20.8 | 13.6 | 11.5 | 18.4 | 25.6 | 1826 | 31/12/92 |
| 385 | 362 | Automated Security (Holdings) | 161.7 | 541 | 284 | 173.2 | 193.7 | -10.6 | 45.1 | 3.3 | 1253.7 | 8.0 | 2917 | 30/11/92 |
| 386 | 371 | Mucklow (A. & J.) Group | 160.1 | 161 | 0 | N/R | N/R | 0.0 | 9.7 | 10.8 | -10.8 | 7.8 | 30 | 30/06/93 |
| 387 | 387 | Molins | 158.8 | 566 | 281 | 181.0 | 155.0 | 16.8 | 18.3 | 14.2 | 28.7 | 27.0 | 2791 | 31/12/92 |
| 388 | 404 | Macfarlane Group | 158.8 | 672 | 363 | 87.0 | 82.7 | 5.2 | 10.2 | 6.9 | 48.2 | 26.4 | 1328 | 31/12/92 |
| 389 | 441 | Cattle's Holdings | 157.1 | 122 | 0 | N/R | N/R | 0.0 | 12.4 | 9.8 | 26.7 | 10.9 | 2149 | 31/12/92 |
| 390 | 358 | Hogg Robinson | 156.4 | 306 | 285 | 172.7 | 154.2 | 12.0 | 13.3 | 15.2 | -12.2 | 24.9 | 3688 | 31/03/93 |
| 391 | 380 | Logica | 155.7 | 551 | 270 | 196.6 | 182.9 | 7.5 | 9.0 | 7.1 | 27.8 | 17.1 | 3443 | 30/06/93 |
| 392 | 472 | Capital Radio | 155.6 | 464 | 404 | 32.3 | 32.5 | -0.8 | 8.8 | 9.8 | -10.2 | 37.2 | 216 | 30/09/92 |
| 393 | 0 | Carpetright | 155.1 | 412 | 373 | 78.6 | 53.4 | 47.1 | 7.8 | 2.8 | 178.4 | 61.9 | 736 | 01/05/93 |
| 394 | 339 | Bullough | 153.5 | 591 | 230 | 276.9 | 292.6 | -5.3 | 8.5 | 20.8 | -59.0 | 9.8 | 5208 | 31/10/92 |
| 395 | 373 | Macro 4 | 153.4 | 482 | 409 | 23.3 | 19.0 | 22.3 | 10.5 | 8.8 | 20.0 | 76.5 | 211 | 30/06/93 |
| 396 | 453 | Singer & Friedlander Group | 152.1 | 121 | 0 | N/R | N/R | 0.0 | 6.0 | 15.5 | -60.9 < | 5.9 | 246 | 31/12/92 |
| 397 | 0 | Carclo Engineering | 151.4 | 566 | 367 | 84.4 | 78.8 | 7.2 | 8.8 | 5.6 | 55.5 | 17.7 | 1817 | 31/03/93 |
| 398 | 0 | Sheffield Insulation Group | 151.3 | 611 | 315 | 133.5 | 132.1 | 1.1 | 2.9 | 1.5 | 95.6 | 15.4 | 824 | 31/12/92 |
| 399 | 0 | First National Finance | 148.5 | 122 | 0 | N/R | N/R | 0.0 | -31.9 | -33.7 | 0.0 | 0.0 | 1362 | 31/10/92 |
| 400 | 0 | Burford Holdings | 146.7 | 161 | 415 | 10.3 | 9.8 | 5.0 | 0.1 | 0.7 | -92.6 | 6.1 | 24 | 31/12/92 |
| 401 | 0 | Cathay International Holdings | 145.0 | 161 | 0 | N/R | N/R | 0.0 | 0.3 | 0.0 | 438.8 | 3.0 | 41 | 31/03/93 |
| 402 | 366 | Allied Textile Companies | 144.6 | 412 | 321 | 129.1 | 112.2 | 15.1 | 12.7 | 13.2 | -3.5 | 18.6 | 2368 | 30/09/92 |
| 403 | 454 | Adwest Group | 143.7 | 561 | 312 | 137.4 | 127.1 | 8.0 | 9.4 | 7.0 | 35.2 | 15.6 | 2321 | 30/06/93 |
| 404 | 393 | British Polythene Industries | 142.6 | 672 | 282 | 177.2 | 156.1 | 13.5 | 12.1 | 10.3 | 17.6 | 20.5 | 2132 | 31/12/92 |
| 405 | 370 | Leigh Interests | 140.7 | 406 | 342 | 109.2 | 118.9 | -8.2 | 9.5 | 14.1 | -32.7 | 12.2 | 1814 | 31/03/93 |
| 406 | 385 | Rotork | 140.7 | 552 | 387 | 57.1 | 51.5 | 11.0 | 10.5 | 9.5 | 10.6 | 38.0 | 584 | 31/12/92 |
| 407 | 432 | Evans of Leeds | 140.5 | 161 | 0 | N/R | N/R | 0.0 | 8.8 | 8.5 | 3.1 | 9.5 | 54 | 31/03/93 |
| 408 | 445 | *Cater Allen Holdings* | 139.7 | 121 | 0 | N/R | N/R | 0.0 | 11.7 | 8.1 | 44.9 a | 16.5 | 279 | 30/04/93 |
| 409 | 310 | British Bio-technology Group | 138.9 | 433 | 416 | 3.8 | 5.2 | -27.8 | -11.6 | -6.1 | 0.0 | 0.0 | 236 | 30/04/92 |
| 410 | 0 | ASW Holdings | 138.5 | 633 | 199 | 367.8 | 390.7 | -5.9 | -10.8 | 2.3 | 0.0 | 0.0 | 2870 | 31/12/92 |
| 411 | 410 | Cope | 138.2 | 611 | 244 | 245.2 | 202.9 | 20.9 | 11.9 | 12.4 | -4.3 | 16.5 | 4980 | 31/03/93 |
| 412 | 386 | Mansfield Brewery | 138.1 | 421 | 331 | 117.7 | 114.5 | 2.9 | 12.5 | 11.0 | 14.0 | 9.6 | 3709 | 27/03/93 |
| 413 | 328 | Scholl | 137.3 | 492 | 299 | 151.3 | 144.4 | 4.8 | 16.1 | 16.1 | 0.0 | 24.4 | 1792 | 31/12/92 |
| 414 | 413 | Avon Rubber | 137.1 | 574 | 252 | 232.2 | 227.2 | 2.2 | 9.4 | 1.0 | 869.9 | 12.9 | 5255 | 03/10/92 |
| 415 | 337 | Huntingdon International | 135.9 | 591 | 301 | 149.6 | 123.1 | 21.6 | 14.4 | 16.9 | -14.9 | 17.3 | 3914 | 30/09/92 |
| 416 | 414 | Oxford Instruments Group | 135.3 | 552 | 352 | 101.1 | 103.3 | -2.2 | 10.6 | 8.6 | 24.0 | 18.5 | 1427 | 28/03/93 |
| 417 | 395 | Claremont Garments (Holdings) | 134.3 | 412 | 370 | 81.5 | 47.8 | 0.0 | 8.5 | 6.2 | 0.0 | 54.2 | 3147 | 26/12/92 |
| 418 | 468 | *Serco* | 132.1 | 552 | 302 | 149.6 | 105.0 | 42.6 | 7.2 | 5.3 | 37.2 | 38.0 | 5838 | 31/12/92 |
| 419 | 497 | Wace Group | 131.4 | 471 | 217 | 321.0 | 308.6 | 4.0 | -28.4 | 9.8 | 0.0 | 0.0 | 5154 | 31/12/92 |
| 420 | 356 | Bespak | 131.1 | 433 | 384 | 61.8 | 38.8 | 59.2 | 11.5 | 6.9 | 66.3 | 30.0 | 890 | 30/04/93 |
| 421 | 331 | Renishaw | 131.0 | 561 | 395 | 48.0 | 44.0 | 9.0 | 7.1 | 9.1 | -21.4 | 13.8 | 747 | 30/06/03 |
| 422 | 0 | Dawsongroup | 130.5 | 304 | 397 | 46.7 | 43.7 | 6.8 | 4.7 | 1.1 | 319.8 | 18.3 | 361 | 31/12/92 |
| 423 | 473 | Berisford International | 128.3 | 451 | 319 | 130.5 | 694.2 | -81.2 | -22.3 | -20.5 | 0.0 | 0.0 | 909 | 30/09/92 |
| 424 | 455 | Control Techniques | 128.3 | 552 | 360 | 88.0 | 69.8 | 26.1 | 6.2 | 4.2 | 49.7 | 21.9 | 1359 | 30/09/92 |
| 425 | 460 | Town Centre Securities | 128.3 | 161 | 0 | N/R | N/R | 0.0 | 8.0 | 7.2 | 10.9 | 8.0 | 139 | 30/06/93 |
| 426 | 456 | Marshalls | 128.2 | 611 | 287 | 169.5 | 174.4 | -2.8 | 12.4 | 12.5 | -0.6 | 11.6 | 2453 | 31/03/93 |
| 427 | 352 | Victaulic | 126.7 | 566 | 351 | 101.2 | 114.8 | -11.8 | 13.5 | 14.3 | -5.4 | 31.5 | 1366 | 31/12/92 |
| 428 | 479 | Huntleigh Technology | 126.7 | 566 | 406 | 28.4 | 21.0 | 35.2 | 5.5 | 2.3 | 137.4 | 55.3 | 459 | 31/12/92 |
| 429 | 491 | Black (Peter) Holdings | 125.5 | 406 | 336 | 114.9 | 106.2 | 8.2 | 9.1 | 6.5 | 40.4 | 26.6 | 2476 | 05/06/93 |
| 430 | 429 | Kenwood Appliances | 125.4 | 402 | 350 | 101.6 | 92.1 | 10.4 | 9.6 | 9.3 | 3.6 | 30.4 | 1711 | 31/03/93 |
| 431 | 407 | Proteus International | 123.9 | 433 | 418 | | | | -3.5 | -2.4 | 0.0 | 0.0 | 42 | 31/03/93 |
| 432 | 392 | Owners Abroad Group | 123.2 | 406 | 137 | 772.0 | 643.6 | 19.9 | 25.5 | 31.6 | -19.2 | 39.4 | 2932 | 31/10/92 |
| 433 | 0 | Hodder Headline | 123.1 | 472 | 412 | 15.7 | 11.3 | 39.7 | 2.1 | 1.2 | 68.4 | 31.9 | 118 | 31/12/92 |
| 434 | 419 | Park Food Group | 121.5 | 493 | 333 | 116.1 | 119.5 | -2.8 | 10.3 | 7.7 | 33.4 | 161.9 | 423 | 31/03/93 |
| 435 | 463 | Manders | 121.3 | 621 | 339 | 110.3 | 101.6 | 8.5 | 9.0 | 6.0 | 50.4 | 12.6 | 1334 | 31/12/92 |
| 436 | 417 | Brammer | 121.2 | 591 | 327 | 122.6 | 111.5 | 10.0 | 8.2 | 9.2 | -10.2 | 19.0 | 1147 | 31/12/92 |
| 437 | 440 | Warner Estate Holdings | 121.0 | 161 | 0 | N/R | N/R | 0.0 | 7.5 | 7.6 | -2.1 | 5.4 | 84 | 30/09/02 |
| 438 | 0 | McAlpine (Alfred) | 120.9 | 613 | 164 | 560.7 | 620.6 | -9.7 | 3.6 | 9.3 | -61.8 | 5.2 | 5269 | 31/10/92 |
| 439 | 396 | M. R. Data Management | 120.6 | 551 | 400 | 40.8 | 33.7 | 21.0 | 8.8 | 8.2 | 6.5 | 43.2 | 1035 | 30/06/93 |
| 440 | 478 | Mowlem (John) | 120.4 | 613 | 103 | 1245.0 | 1386.0 | -10.2 | -27.2 | -4.3 | 0.0 | 0.0 | 15709 | 31/12/92 |
| 441 | 0 | Volex Group | 120.4 | 541 | 347 | 106.1 | 81.6 | 30.0 | 7.3 | 3.7 | 99.5 | 19.9 | 3629 | 31/03/93 |
| 442 | 416 | BBS Group | 120.0 | 566 | 245 | 243.7 | 209.2 | 16.5 | 6.6 | 10.0 | -34.7 | 12.3 | 1721 | 31/03/93 |
| 443 | 382 | Domino Printing Sciences | 120.0 | 471 | 379 | 71.6 | 60.4 | 18.6 | 11.9 | 9.0 | 32.3 | 22.9 | 820 | 31/10/92 |
| 444 | 400 | Concentric | 119.1 | 566 | 337 | 113.0 | 112.9 | 0.1 | 8.3 | 4.2 | 95.4 | 24.7 | 1953 | 30/09/92 |
| 445 | 0 | Brown (David) Group | 118.9 | 561 | 371 | 81.0 | 80.5 | 0.6 | 9.3 | 8.3 | 12.3 | 65.3 | 1359 | 29/01/93 |
| 446 | 0 | Wates City of London Prop | 118.8 | 161 | 0 | N/R | N/R | 0.0 | -74.9 | 8.2 | 0.0 | 0.0 | 24 | 31/12/92 |
| 447 | 391 | Graseby | 118.0 | 551 | 349 | 102.6 | 109.1 | -5.9 | 1.0 | 7.5 | -86.5 | 6.3 | 1870 | 31/12/92 |
| 448 | 427 | Watson & Philip | 117.6 | 493 | 176 | 492.0 | 461.6 | 6.6 | 10.3 | 11.8 | -12.5 | 26.0 | 3487 | 30/10/92 |
| 449 | 487 | Menvier-Swain | 117.1 | 552 | 388 | 56.8 | 42.3 | 34.4 | 7.6 | 5.9 | 28.6 | 42.4 | 1122 | 30/04/93 |
| 450 | 459 | Yorkshire-Tynes TV Holdings | 117.0 | 474 | 252 | 210.1 | 191.4 | 9.8 | 16.1 | 13.1 | 23.1 | 32.2 | 1067 | 30/09/92 |
| 451 | 428 | Premier Consolidated Oilfields | 116.0 | 213 | 390 | 56.0 | 32.0 | 0.0 | 16.8 | 9.6 | 0.0 | 12.1 | 156 | 31/12/92 |
| 452 | 443 | Time Products | 116.0 | 495 | 394 | 49.6 | 51.1 | -2.8 | 9.3 | 7.6 | 21.5 | 16.5 | 743 | 31/01/93 |
| 453 | 483 | Domestic & General | 115.3 | 151 | 0 | N/R | N/R | 0.0 | 7.7 | 6.2 | 24.1 | 0.0 | 355 | 30/06/93 |
| 454 | 390 | Blick | 115.1 | 552 | 405 | 30.9 | 23.8 | 29.9 | 8.6 | 6.3 | 35.8 | 64.8 | 644 | 30/09/92 |
| 455 | 0 | Mayflower Corporation | 114.9 | 401 | 380 | 67.8 | 27.4 | 147.1 | 1.7 | 1.1 | 59.8 | 8.3 | 1139 | 31/12/92 |
| 456 | 436 | Morland | 114.4 | 421 | 393 | 40.9 | 33.7 | 21.4 | 7.6 | 5.9 | 28.5 | 8.8 | 1108 | 30/09/92 |
| 457 | 490 | Lowndes Lambert Group | 113.8 | 142 | 0 | N/R | N/R | 0.0 | 10.3 | 9.3 | 11.1 | 0.0 | 1245 | 31/03/93 |
| 458 | 389 | Wardle Storeys | 113.8 | 622 | 374 | 77.9 | 76.6 | 1.7 | 8.0 | 9.2 | -13.0 | 15.7 | 1604 | 31/08/93 |
| 459 | 0 | Trinity | 113.1 | 401 | 340 | 109.9 | 82.1 | 33.9 | 7.1 | 3.4 | 108.5 | 58.9 | 1195 | 31/01/93 |
| 460 | 341 | Plysu | 112.5 | 622 | 364 | 86.4 | 66.0 | 30.9 | 10.6 | 9.5 | 14.1 | 30.2 | 1641 | 31/03/93 |
| 461 | 0 | RJB Mining | 111.9 | 632 | 377 | 73.9 | 77.4 | -4.6 | 11.0 | 11.0 | 0.0 | 0.0 | 883 | 31/12/92 |
| 462 | 409 | Lamont Holdings | 111.0 | 412 | 334 | 115.5 | 109.1 | 5.9 | 6.3 | 8.1 | -22.3 | 13.5 | 1699 | 31/12/92 |
| 463 | 408 | Whatman | 110.8 | 566 | 383 | 62.6 | 49.6 | 26.2 | 10.0 | 9.2 | 8.7 | 20.7 | 860 | 31/12/02 |
| 464 | 0 | Forth Ports | 110.4 | 306 | 403 | 32.4 | 32.4 | 0.0 | 10.9 | 8.2 | 32.5 | 17.3 | 580 | 31/12/92 |
| 465 | 0 | Westbury | 110.3 | 614 | 316 | 132.7 | 131.8 | 0.7 | -2.2 | -15.1 | 0.0 | 0.2 | 412 | 28/02/93 |
| 466 | 439 | Ferguson International Hldgs | 109.7 | 652 | 322 | 129.0 | 121.3 | 6.3 | 9.7 | 4.9 | 98.1 | 31.2 | 2029 | 28/02/93 |
| 467 | 424 | Hogg Group | 109.4 | 142 | 0 | N/R | N/R | 0.0 | 13.4 | 16.8 | -20.2 | 0.0 | 2771 | 31/12/92 |
| 468 | 0 | Perkins Foods | 109.2 | 451 | 202 | 353.8 | 260.1 | 36.0 | 22.0 | 24.3 | -9.1 | 36.3 | 1980 | 31/12/92 |
| 469 | 448 | Triplex Lloyd | 109.1 | 563 | 292 | 163.5 | 167.2 | -2.2 | 7.1 | 7.1 | 0.2 | 14.0 | 3679 | 31/03/93 |
| 470 | 0 | Moro O'Ferrall | 107.9 | 475 | 408 | 26.1 | 27.0 | -3.2 | 5.0 | 5.8 | -13.2 | 15.0 | 529 | 31/12/92 |
| 471 | 0 | Countryside Properties | 107.6 | 161 | 0 | N/R | N/R | 0.0 | -11.7 | 3.0 | 0.0 | 0.0 | 314 | 30/09/92 |
| 472 | 474 | South Staffordshire Water | 106.4 | 221 | 391 | 51.7 | 48.3 | 7.0 | 10.3 | 8.7 | 18.1 | 25.3 | 705 | 31/03/93 |
| 473 | 0 | Dewhirst Group | 103.6 | 412 | 280 | 181.6 | 130.5 | 39.2 | 6.5 | 4.1 | 56.5 | 17.8 | 6621 | 15/01/93 |
| 474 | 498 | Stanley Leisure | 103.5 | 461 | 260 | 218.5 | 203.3 | 7.4 | 8.1 | 7.8 | 3.0 | 9.8 | 3134 | 02/05/93 |
| 475 | 378 | Thorntons | 103.2 | 451 | 357 | 92.5 | 84.3 | 9.7 | -4.8 | 9.2 | 0.0 | 0.0 | 2775 | 26/06/93 |
| 476 | 0 | David Lloyd | 103.2 | 461 | 413 | 15.6 | 7.5 | 108.3 | 3.0 | 2.3 | 32.2 | 16.4 | 501 | 30/09/93 |
| 477 | 0 | *RPC Group* | 100.6 | 621 | 382 | 63.7 | 57.8 | 10.2 | 6.8 | 4.3 | 58.4 | 23.5 | 1131 | 31/03/93 |
| 478 | 0 | Matthews (Bernard) | 100.6 | 451 | 306 | 144.2 | 148.4 | -2.8 | 3.3 | 13.2 | -74.7 | 6.2 | 2478 | 03/01/93 |
| 479 | 0 | Scottish Metropolitan Property | 100.0 | 161 | 0 | N/R | N/R | 0.0 | -0.5 | -8.4 | 0.0 | 5.9 | 34 | 15/08/92 |
| 480 | 477 | Pendragon | 99.7 | 495 | 261 | 214.6 | 168.3 | 27.5 | 5.2 | 4.7 | 10.6 | 20.9 | 1144 | 31/12/92 |
| 481 | 466 | Halstead (James) Group | 99.3 | 412 | 386 | 59.4 | 58.9 | 0.7 | 8.7 | 3.8 | 128.6 | 32.6 | 771 | 30/06/93 |
| 482 | 0 | Bemrose Corporation | 98.6 | 471 | 393 | 49.7 | 48.6 | 2.2 | 6.3 | 5.1 | 23.7 | 27.7 | 981 | 02/01/93 |
| 483 | 365 | T & S Stores | 97.9 | 493 | 205 | 345.3 | 314.2 | 9.9 | 12.5 | 13.4 | -6.2 | 37.3 | 2960 | 02/01/93 |
| 484 | 0 | National Express | 96.7 | 304 | 328 | 120.6 | 58.5 | 106.3 | 6.8 | 4.1 | 67.0 | 0.0 | 1110 | 31/12/92 |
| 485 | 433 | Metalrax Group | 96.4 | 671 | 385 | 60.0 | 62.9 | -4.6 | 7.3 | 7.2 | 1.3 | 28.3 | 1387 | 31/12/92 |
| 486 | 467 | Dobson Park Industries | 96.3 | 591 | 264 | 209.3 | 233.7 | -10.4 | 10.3 | 13.1 | -21.0 | 10.4 | 3737 | 03/10/92 |
| 487 | 0 | *Hambro Insurance* | 96.2 | 151 | 0 | N/R | N/R | 0.0 | 4.6 | 8.1 | -43.2 | 0.0 | 872 | 30/03/91 |
| 488 | 0 | Leeds Group | 95.9 | 412 | 398 | 41.3 | 31.4 | 31.3 | 5.5 | 4.1 | 34.5 | 31.6 | 880 | 30/09/92 |
| 489 | 0 | Wetherspoon | 94.8 | 421 | 410 | 21.4 | 13.2 | 62.1 | 2.1 | 1.1 | 89.3 | 13.0 | 571 | 31/07/92 |
| 490 | 458 | Transfer Technology Group | 94.1 | 552 | 345 | 106.9 | 68.0 | 57.1 | 9.4 | 5.5 | 71.5 | 63.7 | 1695 | 31/12/92 |
| 491 | 0 | Inveresk | 94.1 | 651 | 361 | 87.9 | 91.4 | -3.9 | 5.8 | 5.5 | 5.0 | 14.3 | 880 | 28/11/92 |
| 492 | 0 | Guinness Peat Group | 93.4 | 122 | 0 | N/R | N/R | 0.0 | 7.8 | -27.4 | 0.0 | 19.3 | 204 | 31/12/92 |
| 493 | 0 | Chesterfield Properties | 93.4 | 161 | 0 | N/R | N/R | 0.0 | 7.7 | 6.7 | 15.1 | 8.6 | 399 | 31/12/92 |
| 494 | 431 | Grampian Holdings | 93.3 | 591 | 303 | 145.3 | 142.8 | 1.7 | 11.3 | 11.2 | 1.7 | 24.7 | 2612 | 31/12/92 |
| 495 | 457 | Trade Indemnity Group | 93.2 | 122 | 0 | N/R | N/R | 0.0 | -4.9 | -46.6 | 0.0 | 0.0 | 457 | 31/12/92 |
| 496 | 350 | Low (William) | 92.9 | 493 | 187 | 420.1 | 384.0 | 9.4 | 20.6 | 23.6 | -12.5 | 12.5 | 8950 | 05/09/92 |
| 497 | 492 | Gleeson (M.J.) | 92.9 | 613 | 277 | 183.1 | 199.3 | -8.1 | 9.9 | 11.8 | -16.1 | 13.6 | 1678 | 30/06/92 |
| 498 | 434 | Sage Group | 92.3 | 482 | 407 | 27.3 | 20.0 | 36.4 | 8.9 | 6.6 | 33.4 | 198.4 | 357 | 30/09/92 |
| 499 | 0 | Lep Group | 92.2 | 482 | 201 | 354.4 | 398.3 | -11.0 | -34.3 | -59.1 | 0.0 | 5.5 | 10142 | 31/12/92 |
| 500 | 0 | Edinburgh Fund Managers | 91.5 | 122 | 414 | 11.1 | 9.3 | 19.6 | 5.0 | 4.8 | 4.5 < | 31.8 | 116 | 31/01/93 |





## THE FT500

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### ■ Footnotes to companies listed on this page

254 Investor, 1991 figures are pro forma.
262 Synthelabo, this year's and last year's figures not comparable due to changes in scope of consolidation.
265 Credit Foncier de France, employees = parent company.
267 Banque Bruxelles Lambert, this year's figures for 15 months to 31/12/92. Profit is net of tax.
298 Bols Wessanen, merger of Bols Lucas and Wessanen. Figures are for Wessanen only.
303 Pinault-Printemps, merger of Pinault SA and Au Printemps SA 12/92. 1991 figures are pro forma
312 Fomento de Construcciones, 1991 figures are pro forma.
315 Pollet, figures are pro forma following reorganisation of group in July 1992.
329 Asko Deutsche Kaufhaus, change of year end to 30/9. This year's figures are for 9 months to 30/9/92, last year's are for 12 months to 31/12/91.
330 Casino, employees at 30/11/92.
332 Saint-Louis Group, last year's figures are pro forma showing full consolidation of Arjomari-Prioux after Jan 1992 merger.
335 *Deutsche SB-Kauf, change of year end* to September. This year's figures for nine months to 30/09/92.
340 Krupp, Fried AG H-K, merger of Fried. Krupp AG and Hoesch AG. Figures are pro forma for the merged company.
343 Baloise Holding, profit is net of tax.
346 Dixons Group, last year's figures for 53 weeks to 2/5/92.
349 Hays, turnover excludes sales where the Group is obliged to purchase goods on customers' behalf and sell them at cost.
352 Kwik Save Group, last year's figures for 53 weeks.
360 Transatlantic Holdings, last year's figures are restated to take account of the consolidation of the Capcount Property Trust.
365 KNP BT, figures are pro forma as if the merger between KNP, Buhrmann-Tetterode and VRG group had been in force at the start of 1992.
366 Chubb Security, stock exchange listing 10/92. Figures are pro forma.
367 Daily Mail and General Trust, turnover includes £14m (£41.4m) discontinued activities.
368 BIC, ROCE based on pre tax profit and *net interest.*

| Ranking 1993 | 1992 | company | country | Market Capital $m | Sector | Rank | Turnover This year $m | Turnover Last year $m | per cent change | Profit this year $m | Profit last year $m | per cent change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 251 | 238 | Caradon Group | UK | 2232.0 | 171 | 314 | 1013.4 | 1036.0 | -2.2 | 191.7 | 162.3 | 18.1 | 21.8 | 10290 | 31/12/92 |
| 252 | 391 | Skanska | Swe | 2231.6 | 613 | 170 | 3529.2 | 3926.4 | -10.1 | -506.7 | 92.2 | 0.0 | 0 | 28648 | 31/12/92 |
| 253 | 195 | Electrolux | Swe | 2227.9 | 402 | 63 | 10045.8 | 9869.9 | 1.8 | 126.9 | 128.8 | -1.5 | 9.5 | 121148 | 31/12/92 |
| 254 | 196 | *Investor* | Swe | 2212.9 | 131 | 144 | 4326.9 | 4808.7 | -10.0 | 185.1 | 270.4 | -31.5 | 2.8 | n/a | 31/12/92 |
| 255 | 387 | Repola | Fin | 2200.4 | 591 | 150 | 4110.7 | 3854.3 | 6.7 | -156.1 | -308.1 | 0.0 | 5.1 y | 26856 | 31/12/92 |
| 256 | 261 | Credito Italiano | Ita | 2184.3 | 112 | 0 | N/R | N/R | 0.0 | 313.4 | 360.9 | -13.2 < | 35.8 y | 16011 | 31/12/92 |
| 257 | 249 | Groupe Bruxelles Lambert | Bel | 2163.0 | 171 | 0 | N/R | N/R | 0.0 | 251.9 | 302.2 | -16.6 | 8.8 | n/a | 31/12/92 |
| 258 | 179 | Northern Foods | UK | 2162.4 | 451 | 188 | 3090.5 | 2202.9 | 40.3 | 233.4 | 192.2 | 21.4 | 51.4 | 20219 | 31/03/93 |
| 259 | 275 | Badenwerk | Ger | 2148.7 | 221 | 280 | 1782.5 | 1787.6 | -0.3 | 141.1 | 48.8 | 189.1 + | 6.9 | 4104 | 31/12/92 |
| 260 | 200 | Gas Natural | Spa | 2143.7 | 222 | 334 | 770.8 | 659.5 | 16.9 | 130.3 | 109.1 | 19.4 | 13.1 y | 3244 | 31/12/92 |
| 261 | 232 | Man | Ger | 2137.0 | 566 | 50 | 11831.0 | 11744.7 | 0.7 | 429.8 | 500.5 | -14.2 | 7.0 | 64292 | 30/06/92 |
| 262 | 228 | Synthelabo | Fra | 2112.7 | 433 | 304 | 1115.5 | 809.6 | 0.0 | 113.7 | 41.9 | 0.0 + | 19.1 y | 6788 | 31/12/92 |
| 263 | 255 | BHF Bank | Ger | 2099.8 | 112 | 0 | N/R | N/R | 0.0 | 167.1 | 149.6 | 11.7 a | 13.6 y | 3216 | 31/12/92 |
| 264 | 191 | *Centros Comerciales Pryca* | Spa | 2087.4 | 493 | 174 | 3363.8 | 2792.8 | 20.6 | 137.0 | 109.5 | 25.1 | 31.4 | 13200 | 31/12/92 |
| 265 | 273 | Credit Foncier de France | Fra | 2077.6 | 121 | 0 | N/R | N/R | 0.0 | 89.6 | 151.1 | -40.7 a | 8.1 y | 3378 | 31/12/92 |
| 266 | 281 | Bancaire (Compagnie) | Fra | 2076.4 | 121 | 0 | N/R | N/R | 0.0 | 119.6 | 208.2 | -42.5 a | 6.0 y | 6832 | 31/12/92 |
| 267 | 199 | Banque Bruxelles Lambert | Bel | 2053.3 | 112 | 0 | N/R | N/R | 0.0 | 105.9 | 132.6 | 0.0 a | 6.1 y | 14940 | 31/12/92 |
| 268 | 335 | BPB Industries | UK | 2040.9 | 611 | 265 | 1715.2 | 1557.4 | 10.1 | 87.7 | 57.7 | 52.1 | 9.9 | 12152 | 31/03/93 |
| 269 | 220 | Tate & Lyle | UK | 2040.3 | 451 | 128 | 5024.4 | 4913.2 | 2.3 | 289.0 | 352.0 | -17.9 | 17.1 | 17004 | 26/09/92 |
| 270 | 0 | Fondiaria | Ita | 2022.8 | 151 | 0 | N/R | N/R | 0.0 | -0.6 | 0.1 | 0.0 | 0 y | 5625 | 31/12/92 |
| 271 | 264 | Powerfin | Bel | 2021.4 | 221 | 0 | N/R | N/R | 0.0 | 234.2 | 231.1 | 1.4 | 13.7 | n/a | 31/12/92 |
| 272 | 439 | Tarmac | UK | 2015.0 | 613 | 140 | 4478.7 | 4919.3 | -9.0 | -534.3 | 32.0 | 0.0 | 0 | 28590 | 31/12/92 |
| 273 | 270 | Autopistas | Spa | 2013.0 | 304 | 357 | 331.8 | 309.0 | 7.4 | 182.6 | 155.1 | 17.7 | 13.5 | 1044 # | 31/12/92 |
| 274 | 311 | *United Newspapers* | UK | 2010.6 | 473 | 297 | 1268.3 | 1249.5 | 1.5 | 167.6 | 74.5 | 125.2 | 28.2 | 11682 | 31/12/92 |
| 275 | 291 | Harrisons & Crosfield | UK | 2006.2 | 512 | 192 | 2948.4 | 2783.7 | 5.9 | 129.7 | 108.6 | 19.4 | 14.3 | 32177 | 31/12/92 |
| 276 | 217 | De La Rue | UK | 2003.7 | 472 | 327 | 853.4 | 639.6 | 34.7 | 159.7 | 118.8 | 34.4 | 29.2 | 8599 | 31/03/93 |
| 277 | 233 | Royale Belge | Bel | 2000.4 | 151 | 0 | N/R | N/R | 0.0 | 155.8 | 138.3 | 12.7 | 0 y | 4212 | 31/12/92 |
| 278 | 269 | Heidelberger Zement | Ger | 1984.7 | 611 | 252 | 1853.5 | 1503.8 | 23.3 | 140.8 | 104.6 | 34.6 | 12.6 | 9709 | 31/12/92 |
| 279 | 307 | Redoute (La) | Fra | 1950.2 | 491 | 179 | 3243.4 | 3057.8 | 5.7 | 134.4 | 107.9 | 24.6 | 43.1 | 15396 | 31/12/92 |
| 280 | 246 | Metallgesellschaft | Ger | 1937.7 | 634 | 29 | 15772.4 | 13071.1 | 20.7 | 151.3 | 195.2 | -22.5 | 11.0 y | 62547 | 30/09/92 |
| 281 | 240 | Beiersdorf | Ger | 1931.0 | 432 | 203 | 2809.3 | 2769.9 | 1.4 | 194.1 | 180.1 | 7.7 | 15.6 y | 17599 | 31/12/92 |
| 282 | 236 | Electrafina | Bel | 1929.7 | 221 | 0 | N/R | N/R | 0.0 | 81.1 | 147.7 | -45.1 | 5.6 | n/a | 31/12/92 |
| 283 | 235 | English China Clays | UK | 1905.2 | 631 | 281 | 1473.9 | 1482.3 | -0.6 | 152.8 | 120.5 | 26.8 | 11.6 | 7790 | 31/12/92 |
| 284 | 306 | Laporte | UK | 1895.5 | 622 | 332 | 795.9 | 647.0 | 23.0 | 132.1 | 147.0 | -10.2 | 21.0 | 5360 | 31/12/92 |
| 285 | 268 | Incentive | Swe | 1893.5 | 541 | 282 | 1470.1 | 1692.9 | -13.2 | 159.5 | 145.6 | 9.5 | 12.0 | 13024 | 31/12/92 |
| 286 | 288 | Rheinelektra | Ger | 1882.1 | 541 | 352 | 458.1 | 421.7 | 8.6 | 52.7 | 45.0 | 17.1 | 15.5 | 3230 | 30/06/92 |
| 287 | 304 | London Electricity | UK | 1881.0 | 221 | 237 | 2085.1 | 2054.6 | 1.5 | 222.7 | 218.1 | 2.1 | 22.2 | 6258 | 31/03/93 |
| 288 | 315 | Suedzucker | Ger | 1882.1 | 451 | 180 | 3240.4 | 3044.8 | 6.4 | 125.0 | 181.2 | -31.0 | 11.7 | 10985 | 28/02/93 |
| 289 | 309 | Degussa | Ger | 1874.7 | 622 | 79 | 7906.8 | 8238.4 | -4.0 | 123.3 | 110.4 | 11.8 | 8.1 y | 33425 | 30/09/92 |
| 290 | 350 | Alusuisse-Lonza Holding | Swi | 1852.3 | 634 | 138 | 4622.9 | 4471.1 | 3.4 | 103.1 | 82.6 | 24.8 | 6.6 | 25848 | 31/12/92 |
| 291 | 271 | BET | UK | 1845.4 | 171 | 177 | 3319.4 | 3576.6 | -7.2 | -14.9 | -684.0 | 0.0 | 3.1 | 101408 | 27/03/93 |
| 292 | 274 | GKN | UK | 1844.2 | 571 | 190 | 3040.7 | 2936.9 | 3.5 | 185.8 | 104.8 | 77.3 | 15.7 | 29495 | 31/12/92 |
| 293 | 308 | Midlands Electricity | UK | 1844.0 | 221 | 224 | 2344.3 | 2218.0 | 5.7 | 254.9 | 216.7 | 17.6 | 23.1 | 7276 | 31/03/93 |
| 294 | 298 | Yorkshire Electricity | UK | 1843.6 | 221 | 240 | 2021.0 | 2047.9 | -1.3 | 238.4 | 216.4 | 10.1 | 27.2 | 6850 | 31/03/93 |
| 295 | 265 | TF1 | Fra | 1830.1 | 474 | 294 | 1311.5 | 1153.2 | 13.7 | 108.7 | 98.1 | 10.8 | 41.6 | 1573 | 31/12/92 |
| 296 | 421 | Mercury Asset Management | UK | 1828.2 | 122 | 0 | N/R | N/R | 0.0 | 125.5 | 99.3 | 26.4 | 51.3 | 624 | 31/03/93 |
| 297 | 222 | Smith (W.H.) Group | UK | 1825.9 | 495 | 171 | 3526.2 | 3245.1 | 8.7 | 173.6 | 164.9 | 5.3 | 23.6 | 30088 | 29/05/93 |
| 298 | 0 | Bols Wessanen | Net | 1816.7 | 451 | 238 | 2044.3 | 2136.7 | -4.3 | 104.8 | 94.7 | 10.7 | 21.2 | 6572 | 31/12/92 |
| 299 | 368 | Bank of Ireland | Ire | 1809.2 | 112 | 0 | N/R | N/R | 0.0 | 178.6 | 101.0 | 76.8 a | 10.1 | 12130 | 31/03/93 |
| 300 | 194 | Hafslund Nycomed | Nor | 1808.3 | 591 | 338 | 732.9 | 697.1 | 5.1 | 201.0 | 181.2 | 10.9 | 22.4 y | 4094 | 31/12/92 |
| 301 | 0 | Nokia | Fin | 1806.7 | 533 | 185 | 3144.3 | 2675.2 | 17.5 | -17.1 | 68.9 | 0.0 | 6.1 | 26770 | 31/12/92 |
| 302 | 257 | Christian Dior | Fra | 1803.3 | 432 | 155 | 3951.4 | 4005.2 | -1.3 | 790.3 | 1058.0 | -25.3 | 22.0 | 16114 | 31/12/92 |
| 303 | 0 | *Pinault-Printemps* | Fra | 1798.1 | 491 | 47 | 12390.4 | 12496.3 | -0.8 | 267.3 | 246.6 | 8.4 | 14.7 y | 53914 | 31/12/92 |
| 304 | 272 | IFINT | Lux | 1796.3 | 121 | 0 | N/R | N/R | 0.0 | 114.8 | 102.0 | 12.5 a | 12.8 | n/a | 31/12/91 |
| 305 | 316 | East Midlands Electricity | UK | 1790.2 | 221 | 219 | 2394.8 | 2354.8 | 1.7 | 236.6 | 228.8 | 3.4 | 23.6 | 8684 | 31/03/93 |
| 306 | 276 | Legrand | Fra | 1784.4 | 541 | 255 | 1808.1 | 1755.0 | 3.0 | 171.3 | 186.5 | -8.1 | 20.0 y | 18700 | 31/12/92 |
| 307 | 184 | Euro Disney | Fra | 1781.5 | 461 | 279 | 1493.0 | 1094.0 | 36.5 | -59.8 | 69.9 | 0.0 | 0 | 18177 | 30/09/92 |
| 308 | 357 | Pilkington | UK | 1776.5 | 611 | 157 | 3923.9 | 3982.6 | -1.5 | 62.1 | 146.0 | -57.5 | 5.9 | 34400 | 31/03/93 |
| 309 | 417 | SAI | Ita | 1762.8 | 151 | 0 | N/R | N/R | 0.0 | 80.8 | 68.2 | 18.5 | 0 | 2701 | 31/12/92 |
| 310 | 283 | Holzmann (Philipp) | Ger | 1751.0 | 613 | 97 | 6371.6 | 4881.8 | 30.5 | 142.1 | 73.1 | 94.4 | 11.5 | 43680 | 31/12/92 |
| 311 | 215 | Fisons | UK | 1749.9 | 433 | 246 | 1958.8 | 1891.2 | 3.6 | 188.5 | 248.0 | -24.0 | 27.8 | 14477 | 31/12/92 |
| 312 | 440 | Fomento de Construcciones | Spa | 1745.2 | 611 | 194 | 2927.6 | 2790.1 | 4.9 | 169.2 | 171.8 | -1.5 | 13.3 | 31653 | 31/12/92 |
| 313 | 0 | *British Land* | UK | 1739.1 | 161 | 0 | N/R | N/R | 0.0 | 52.8 | 50.8 | 3.9 | 8 | 210 | 31/03/93 |
| 314 | 339 | Berendsen (Sophus) | Den | 1723.0 | 481 | 303 | 1119.8 | 1074.3 | 4.2 | 174.0 | 146.7 | 18.6 | 34.4 | 19300 | 31/12/92 |
| 315 | 385 | Pollet | Fra | 1722.7 | 611 | 172 | 3495.3 | 3480.7 | 0.4 | 140.4 | 166.9 | -15.9 | 14.9 | 18212 | 31/12/92 |
| 316 | 301 | Worms et Cie | Fra | 1700.7 | 171 | 0 | N/R | N/R | 0.0 | 109.2 | 193.0 | -43.4 | 5.6 | 37334 | 31/12/92 |
| 317 | 292 | Atlas Copco | Swe | 1694.6 | 566 | 243 | 1999.2 | 1877.1 | 6.5 | 128.3 | 113.4 | 13.1 | 15.3 | 19195 | 31/12/92 |
| 318 | 245 | Smurfit, Jefferson | Ire | 1691.0 | 652 | 254 | 1810.3 | 1763.8 | 2.6 | 137.3 | 226.4 | -39.4 | 10.7 | 17341 | 31/01/93 |
| 319 | 0 | Trafalgar House | UK | 1689.2 | 171 | 107 | 5946.0 | 4884.7 | 21.8 | -46.2 | -58.7 | 0.0 | 2.2 | 39697 | 27/03/93 |
| 320 | 284 | Dalgety | UK | 1686.0 | 451 | 86 | 6818.6 | 6074.4 | 12.3 | 171.1 | 170.2 | 0.5 | 27.0 | 18417 | 30/06/93 |
| 321 | 403 | Hillsdown Holdings | UK | 1679.8 | 451 | 89 | 6670.2 | 7102.8 | -6.1 | 235.1 | 284.9 | -17.5 | 13.5 | 44196 | 31/12/92 |
| 322 | 0 | Thuega | Ger | 1666.7 | 221 | 360 | 152.5 | 148.6 | 2.6 | 56.0 | 49.5 | 13.2 | 10.7 | 14886 | 31/12/92 |
| 323 | 267 | *Bilfinger & Berger* | Ger | 1666.3 | 613 | 197 | 2896.2 | 2194.7 | 32.0 | 93.4 | 72.1 | 29.4 | 9.4 | 52588 | 31/12/92 |
| 324 | 360 | Italgas | Ita | 1661.8 | 222 | 232 | 2155.0 | 2136.9 | 0.8 | 112.7 | 115.5 | -2.4 | 8.3 y | 10158 | 31/12/92 |
| 325 | 221 | Lasmo | UK | 1658.5 | 213 | 322 | 947.2 | 428.6 | 121.0 | -398.1 | 10.7 | 0.0 | 0 | 1717 | 31/12/92 |
| 326 | 371 | Cookson Group | UK | 1658.5 | 621 | 250 | 1887.8 | 1990.1 | -5.2 | 110.8 | -12.1 | 0.0 | 13.2 | 13221 | 31/12/92 |
| 327 | 176 | Delhaize | Bel | 1653.0 | 492 | 65 | 9384.3 | 8900.1 | 5.4 | 390.4 | 387.9 | 0.6 | 28.2 y | 76000 | 31/12/92 |
| 328 | 278 | SKF | Swe | 1649.4 | 566 | 176 | 3328.3 | 3284.9 | 1.3 | -221.9 | -27.6 | 0.0 | 0 y | 45151 | 31/12/92 |
| 329 | 372 | Asko Deutsche Kaufhaus | Ger | 1647.7 | 491 | 70 | 8909.1 | 11088.3 | -19.7 | -257.1 | 56.7 | 0.0 | 0.5 | 68654 | 30/09/92 |
| 330 | 341 | Casino | Fra | 1646.9 | 493 | 57 | 10864.9 | 7482.7 | 45.2 | 116.7 | 104.6 | 11.6 | 17.5 | 52626 | 31/12/92 |
| 331 | 294 | Smiths Industries | UK | 1646.0 | 566 | 319 | 989.0 | 999.8 | -3.1 | 155.9 | 167.5 | -6.9 | 23.6 | 11676 | 01/08/92 |
| 332 | 324 | Saint-Louis Group | Fra | 1640.1 | 451 | 100 | 6222.4 | 6201.6 | 0.3 | 375.1 | 482.5 | -22.3 | 17.4 | 28016 | 31/12/02 |
| 333 | 285 | Yorkshire Water | UK | 1638.0 | 221 | 336 | 734.6 | 673.0 | 9.2 | 211.4 | 189.0 | 11.9 | 12.6 | 4740 | 31/03/93 |
| 334 | 319 | Sulzer | Swi | 1616.3 | 563 | 134 | 4802.3 | 4593.3 | 4.6 | 124.3 | 85.4 | 45.5 | 6.5 y | 31073 | 31/12/92 |
| 335 | 219 | Deutsche SB-Kauf | Ger | 1611.7 | 493 | 225 | 2316.7 | 2944.8 | 0.0 | 69.0 | 73.1 | 0.0 | 9.8 | 22626 | 30/09/92 |
| 336 | 385 | Lucas Industries | UK | 1609.9 | 571 | 164 | 3712.8 | 3436.1 | 8.1 | 76.7 | 34.3 | 123.6 | 8.5 | 45709 | 31/07/93 |
| 337 | 280 | OeMV | Aus | 1603.8 | 212 | 83 | 7270.1 | 7280.7 | -0.1 | -35.5 | 150.8 | 0.0 | 1.1 | 13233 | 31/12/92 |
| 338 | 326 | Electrowatt | Swi | 1597.8 | 561 | 178 | 3253.8 | 3201.5 | 1.6 | 182.9 | 209.0 | -12.5 | 8.3 | 17896 | 31/12/92 |
| 339 | 407 | Castorama Dubois | Fra | 1596.8 | 493 | 253 | 1816.7 | 1543.0 | 17.7 | 87.3 | 75.5 | 15.7 | 22.0 | 11298 | 31/12/92 |
| 340 | 0 | Krupp, Fried AG H-K | Ger | 1590.7 | 633 | 39 | 14290.9 | 15577.0 | -8.3 | -154.3 | 266.6 | 0.0 | 4.8 | 95585 | 31/12/02 |
| 341 | 392 | CRH | Ire | 1585.8 | 611 | 271 | 1601.0 | 1646.9 | -2.8 | 82.7 | 89.9 | -8.0 | 10.4 | 10552 | 31/12/92 |
| 342 | 310 | Salvesen (Christian) | UK | 1583.2 | 302 | 330 | 805.4 | 760.1 | 6.0 | 115.8 | 70.6 | 63.9 | 21.1 | 11098 | 31/03/93 |
| 343 | 322 | Baloise Holding | Swi | 1582.6 | 151 | 0 | N/R | N/R | 0.0 | 22.0 | 20.0 | 10.0 | 0 y | 10335 | 30/04/03 |
| 344 | 496 | Burton Group | UK | 1573.3 | 491 | 206 | 2691.6 | 2533.7 | 6.2 | 14.3 | -20.4 | 0.0 | 4.2 | 35964 | 29/08/02 |
| 345 | 414 | Orkla | Nor | 1562.4 | 591 | 221 | 2376.0 | 2280.7 | 4.2 | 44.5 | 86.0 | -48.2 | 9.6 y | 14679 | 31/12/02 |
| 346 | 313 | Dixons Group | UK | 1561.4 | 495 | 101 | 3029.1 | 2847.6 | 6.4 | 51.1 | 76.4 | -33.1 | 7.9 | 14523 | 01/05/93 |
| 347 | 344 | Argos | UK | 1558.3 | 495 | 276 | 1530.8 | 1413.4 | 8.3 | 80.7 | 94.7 | -14.8 | 25.5 | 12056 | 31/12/92 |
| 348 | 356 | Pirelli Spa | Ita | 1552.5 | 574 | 120 | 5259.4 | 6388.9 | -17.7 | -68.9 | -434.2 | 0.0 | 4.9 | 45726 | 31/12/92 |
| 349 | 334 | Hays | UK | 1552.2 | 481 | 339 | 727.8 | 579.2 | 25.7 | 101.6 | 84.8 | 19.9 | 34.9 | 6540 | 30/06/93 |
| 350 | 338 | NORWEB | UK | 1549.2 | 221 | 231 | 2156.0 | 2010.4 | 7.2 | 239.6 | 210.3 | 13.9 | 25.8 | 7977 | 31/03/93 |
| 351 | 286 | Cap Gemini Sogeti | Fra | 1548.1 | 551 | 235 | 2096.6 | 1769.1 | 18.5 | 17.4 | 131.7 | -86.8 | 4.0 y | 21374 | 31/12/92 |
| 352 | 266 | *Kwik Save Group* | UK | 1541.3 | 493 | 169 | 3637.2 | 2722.0 | 29.9 | 169.7 | 155.1 | 8.8 | 44.4 | 14843 | 29/08/92 |
| 353 | 293 | Wuerttembergische AG Versich | Ger | 1538.3 | 151 | 0 | N/R | N/R | 0.0 | 57.7 | 68.9 | -16.2 | 0 | 5361 | 31/12/92 |
| 354 | 419 | Leu Holding | Swi | 1534.4 | 112 | 0 | N/R | N/R | 0.0 | 89.7 | 84.7 | 5.8 a | 7.7 | 2147 | 31/12/92 |
| 355 | 395 | Kvaerner | Nor | 1521.9 | 592 | 202 | 2828.4 | 2630.1 | 7.5 | 131.8 | 155.9 | -15.5 | 12.8 y | 23011 | 31/12/92 |
| 356 | 214 | Compania Espanola de Pet. | Spa | 1506.5 | 214 | 151 | 4037.4 | 3446.5 | 17.1 | 112.3 | 132.7 | -15.4 | 10.6 y | 9205 | 31/12/92 |
| 357 | 382 | Volksfuersorge | Ger | 1505.8 | 151 | 0 | N/R | N/R | 0.0 | 121.1 | 131.6 | -7.9 | 0 | 7303 | 31/12/92 |
| 358 | 401 | Safra Republic Holdings | Lux | 1499.6 | 112 | 0 | N/R | N/R | 0.0 | 86.3 | 73.3 | 17.7 a | 8.3 | n/a | 31/12/91 |
| 359 | 429 | Toro (Assicurazioni) | Ita | 1491.6 | 151 | 0 | N/R | N/R | 0.0 | 116.5 | 107.0 | 8.9 | 0 | 2190 | 31/12/92 |
| 360 | 449 | Transatlantic Holdings | UK | 1489.2 | 122 | 0 | N/R | N/R | 0.0 | 92.6 | 93.3 | -0.8 | 8.3 | 1052 | 31/12/92 |
| 361 | 361 | Cimenteries CBR | Bel | 1483.8 | 611 | 290 | 1350.5 | 1331.9 | 1.4 | 131.2 | 147.4 | -11.0 | 13.7 | 9069 | 31/12/92 |
| 362 | 0 | *Slough Estates* | UK | 1478.2 | 161 | 0 | N/R | N/R | 0.0 | 78.7 | 48.2 | 59.2 | 5.4 | 412 | 31/12/92 |
| 363 | 0 | Olivetti | Ita | 1477.5 | 534 | 125 | 5115.2 | 5485.0 | -6.8 | -356.4 | -252.1 | -41.4 | 0 y | 40401 | 31/12/92 |
| 364 | 398 | Gemina | Ita | 1476.4 | 131 | 0 | N/R | N/R | 0.0 | 105.1 | 128.3 | -18.0 a | 12.2 | n/a | 30/06/92 |
| 365 | 0 | KNP BT | Net | 1476.0 | 652 | 96 | 6462.2 | 6322.7 | 2.2 | 110.5 | 353.9 | -68.8 | 10.1 | 27246 | 31/12/92 |
| 366 | 0 | Chubb Security | UK | 1474.7 | 406 | 311 | 1028.7 | 1020.4 | 0.8 | 97.9 | 53.6 | 64.3 | 30.9 | 19930 | 31/03/93 |
| 367 | 373 | Daily Mail and General Trust | UK | 1467.6 | 472 | 318 | 1012.5 | 982.5 | 3.1 | 66.8 | 72.8 | -8.2 | 13.3 | 8181 | 30/09/92 |
| 368 | 363 | BIC | Fra | 1463.3 | 406 | 308 | 1040.5 | 1005.3 | 3.5 | 137.7 | 126.2 | 9.1 | 18.7 y | 8650 | 31/12/92 |
| 369 | 422 | Berliner Kraft und Licht | Ger | 1454.9 | 221 | 212 | 2602.6 | 2553.1 | -1.9 | 104.6 | 63.7 | 64.2 | 3.3 y | 7175 | 30/06/93 |
| 370 | 380 | Wessex Water | UK | 1452.8 | 221 | 358 | 313.6 | 291.0 | 7.8 | 131.2 | 117.3 | 11.8 | 12.3 | 1871 | 31/03/93 |
| 371 | 364 | AVA | Ger | 1438.7 | 491 | 160 | 3800.7 | 2784.8 | 36.5 | 108.4 | 68.6 | 57.9 | 30.3 y | 22296 | 31/12/92 |
| 372 | 0 | *Skandia Forsakring* | Swe | 1438.1 | 152 | 0 | N/R | N/R | 0.0 | -403.4 | -60.4 | 0.0 | 0 | 5048 | 31/12/92 |
| 373 | 325 | IMI | UK | 1429.6 | 671 | 275 | 1533.9 | 1476.5 | 3.9 | 103.7 | 111.7 | -7.1 | 14.5 | 15052 | 31/12/92 |
| 374 | 478 | Lonrho | UK | 1429.6 | 171 | 141 | 4458.5 | 4572.9 | -2.5 | 122.0 | 312.7 | -61.0 | 7.5 | 106161 | 30/09/92 |
| 375 | 332 | Saga Petroleum | Nor | 1425.2 | 213 | 346 | 556.9 | 482.6 | 15.4 | 113.4 | 109.8 | 3.2 | 9.4 y | 1275 | 31/12/92 |

# THE FT500

# 500 376-500

■ **Footnotes to companies listed on this page**

390 Britannic Assurance, profit is net of tax.
413 Pargesa Holding, profit is net of tax.
418 Pirelli Internationale, change of year end to December.No comparable consolidated figures for 1991 available.Profit is net of tax. Employees=Pirelli group.
444 Eiffage, formerly Fougerolle. 1992 figures include results for Groupe Auxiliaire d'entreprises et de participations.
452 Bon Marche, 1991 figures are pro forma.
468 Montedison, profit is net of tax.
480 Racal Electronics, figures are adjusted for the demerger of Vodafone Group plc and Chubb Security plc.
481 Colas, ROCE based on pre-tax profit and net interest.

| Ranking 1993 | 1992 | company | country | Market Capital £m | Sector | Turnover Rank | Turnover This year £m | Turnover Last year £m | per cent change | Profit This year £m | Profit Last year £m | per cent change | ROCE | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 376 | 262 | Chargeurs | Fra | 1420.4 | 171 | 257 | 1778.3 | 1611.3 | -1.8 | 138.7 | 81.7 | 69.8 | 12.1 | 10460 | 31/12/92 |
| 377 | 314 | Banco Comercial Portugues | Por | 1416.5 | 112 | 0 | N/R | N/R | 0.0 | 160.1 | 149.8 | 7.0 a | 21.7 y | 3998 | 31/12/92 |
| 378 | 345 | Danisco | Dan | 1414.4 | 451 | 245 | 1984.7 | 2031.3 | -3.3 | 124.8 | 158.8 | -21.5 | 11.9 | 11465 | 30/04/93 |
| 379 | 355 | Southern Water | UK | 1413.6 | 221 | 360 | 466.9 | 443.4 | 9.6 | 181.8 | 175.6 | 3.6 | 14.5 | 3986 | 31/03/93 |
| 380 | 393 | Electrocomponents | UK | 1410.0 | 551 | 244 | 691.1 | 615.8 | 14.0 | 79.2 | 38.4 | 106.5 | 35.8 | 2767 ¯ | 31/03/93 |
| 381 | 0 | Trygg-Hansa SPP Holding | Swe | 1409.7 | 151 | 0 | N/R | N/R | 0.0 | -941.8 | 57.0 | 0.0 | 0 | 13600 | 31/12/92 |
| 382 | 0 | Parmalat | Ita | 1403.8 | 451 | 310 | 1028.0 | 845.8 | 21.7 | 88.1 | 68.9 | 29.2 | 25.8 | 6011 | 31/12/92 |
| 383 | 456 | Sirti | Ita | 1402.9 | 633 | 318 | 987.9 | 836.8 | 18.1 | 289.7 | 248.3 | 16.7 | 30.8 | 10910 | 31/12/92 |
| 384 | 412 | Credit National Group | Fra | 1398.9 | 121 | 0 | N/R | N/R | 0.0 | 115.6 | 114.9 | 0.6 | 10.8 | 1352 | 31/12/92 |
| 385 | 321 | Willis Corroon Group | UK | 1398.7 | 142 | 0 | N/R | N/R | 0.0 | 84.8 | 82.7 | 3.4 | 0 | 11706 | 31/12/92 |
| 386 | 389 | Simco | Fra | 1398.4 | 161 | 0 | N/R | N/R | 0.0 | 90.0 | 74.8 | 20.3 | 15.8 | 229 # | 31/12/92 |
| 387 | 0 | Enso-Gutzeit | Fin | 1393.4 | 652 | 259 | 1778.3 | 1614.9 | 10.0 | 62.0 | -89.2 | 0.0 | 9.0 | 13918 | 31/12/92 |
| 388 | 343 | Sefimeg | Fra | 1391.3 | 161 | 0 | N/R | N/R | 0.0 | 91.8 | 88.1 | 3.9 | 12.2 | 208 | 31/12/92 |
| 389 | 397 | Storehouse | UK | 1384.3 | 491 | 283 | 1737.8 | 1799.8 | -3.4 | 23.2 | 24.1 | -3.8 | 4.6 | 21916 ¯ | 27/03/93 |
| 390 | 396 | Britannic Assurance | UK | 1380.0 | 141 | 0 | N/R | N/R | 0.0 | 36.2 | 37.7 | -3.9 | 0 | 4672 • | 31/12/92 |
| 391 | 442 | Sedgwick Group | UK | 1379.5 | 142 | 0 | N/R | N/R | 0.0 | 88.8 | 125.7 | -29.4 | 0 | 12844 | 31/12/92 |
| 392 | 409 | Unigate | UK | 1376.1 | 451 | 193 | 2936.2 | 3062.7 | -4.8 | 154.7 | 100.2 | 54.3 | 19.9 | 25385 ¯ | 31/03/93 |
| 393 | 298 | Johnson Matthey | UK | 1366.5 | 641 | 201 | 2827.5 | 2660.9 | 6.3 | 112.8 | 102.5 | 9.8 | 17.7 | 6142 ¯ | 31/03/93 |
| 394 | 0 | Hammerson Property | UK | 1360.1 | 161 | 0 | N/R | N/R | 0.0 | 47.4 | 84.7 | -44.0 | 6.5 | 391 | 31/12/92 |
| 395 | 218 | DSM | Net | 1352.5 | 622 | 131 | 4894.5 | 5136.3 | -4.7 | 87.9 | 285.2 | -69.2 | 4.1 | 23276 | 31/12/92 |
| 396 | 366 | T & N | UK | 1351.9 | 591 | 234 | 2120.3 | 2072.3 | 2.3 | 96.1 | 61.6 | 55.9 | 11 | 37760 ¯ | 31/12/92 |
| 397 | 366 | Welsh Water | UK | 1349.9 | 221 | 345 | 583.3 | 521.5 | 11.8 | 237.2 | 210.8 | 12.5 | 15.3 | 4996 | 31/03/93 |
| 398 | 418 | Bankinter | Spa | 1343.1 | 112 | 0 | N/R | N/R | 0.0 | 167.5 | 223.0 | -29.4 a | 16.1 | 2252 | 31/12/92 |
| 399 | 370 | Lahmeyer | Ger | 1342.5 | 613 | 361 | 136.3 | 136.1 | 0.2 | 37.3 | 44.4 | -16.1 | 12.3 | 518 | 30/06/93 |
| 400 | 348 | Banco Ambrosiano Veneto | Ita | 1335.3 | 112 | 0 | N/R | N/R | 0.0 | 230.2 | 291.3 | -21.0 a | 17.3 y | 8729 | 31/12/92 |
| 401 | 352 | SEB | Fra | 1322.8 | 402 | 283 | 1460.5 | 1424.5 | 2.5 | 88.8 | 88.3 | 0.6 | 19.8 y | 10110 | 31/12/92 |
| 402 | 333 | Almanij | Bel | 1321.4 | 122 | 0 | N/R | N/R | 0.0 | 107.8 | 103.4 | 4.3 | 10.1 | n/a | 31/03/92 |
| 403 | 424 | Associated British Ports | UK | 1320.1 | 303 | 356 | 335.8 | 473.3 | -29.1 | -55.8 | 47.3 | 0.0 | 0.3 | 2603 | 31/12/92 |
| 404 | 327 | Booker | UK | 1316.5 | 591 | 122 | 6178.2 | 5016.9 | 3.2 | 138.8 | 158.5 | -12.4 | 28.1 | 22743 | 31/12/92 |
| 405 | 443 | Unidanmark | Den | 1315.4 | 112 | 0 | N/R | N/R | 0.0 | -885.5 | -233.8 | 0.0 < | 0 y | 11877 | 31/12/92 |
| 406 | 411 | Deutsche Pfandbrief-und HypoBank | Ger | 1314.5 | 112 | 0 | N/R | N/R | 0.0 | 100.1 | 123.7 | -19.1 a | 10.7 | 1539 | 31/12/92 |
| 407 | 430 | Docks de France | Fra | 1308.1 | 493 | 112 | 5656.2 | 5186.1 | 9.1 | 94.1 | 81.7 | 15.1 | 19.7 | 24903 | 31/12/92 |
| 408 | 336 | IKB Deutsche Industriebank | Ger | 1299.7 | 112 | 0 | N/R | N/R | 0.0 | 130.4 | 113.5 | 14.9 a | 13 y | 1054 | 31/03/93 |
| 409 | 362 | MFI Furniture Group | UK | 1290.3 | 406 | 323 | 921.1 | 987.5 | -6.7 | 23.6 | 11.9 | 98.7 | 26.3 | 7579 ¯ | 24/04/93 |
| 410 | 374 | C.G.I.P. | Fra | 1284.3 | 171 | 200 | 2851.2 | 2949.7 | -3.3 | 248.8 | 268.9 | -7.5 | 15.7 y | 17587 | 31/12/92 |
| 411 | 402 | AGIV | Ger | 1283.6 | 171 | 133 | 4823.6 | 4156.9 | 16.0 | 149.9 | 152.5 | -1.7 | 9.9 y | 39738 | 31/12/92 |
| 412 | 330 | Baden-Wuerttembergische Bank | Ger | 1271.9 | 112 | 0 | N/R | N/R | 0.0 | 46.4 | 44.6 | 4.0 | 11.1 | 2351 | 31/12/92 |
| 413 | 358 | Pargesa Holding | Swi | 1266.7 | 122 | 0 | N/R | N/R | 0.0 | 128.0 | 123.8 | 3.4 | 7.4 | n/a • | 31/12/92 |
| 414 | 331 | Continental | Ger | 1255.1 | 574 | 106 | 5979.9 | 5786.8 | 3.3 | 95.8 | -75.8 | 0.0 | 8.3 | 50446 | 31/12/92 |
| 415 | 375 | Gambro | Swe | 1250.4 | 433 | 333 | 788.3 | 702.0 | 12.3 | 50.7 | 74.2 | -31.6 | 13.4 | 8320 | 31/12/92 |
| 416 | 484 | Audiofina | Lux | 1246.1 | 474 | 256 | 1804.5 | 1439.0 | 25.4 | 259.9 | 123.0 | 111.4 | 40.0 | 2579 | 31/12/92 |
| 417 | 328 | Geho | Ger | 1238.7 | 433 | 175 | 3354.0 | 3108.3 | 7.9 | 93.9 | 97.2 | -3.4 | 22.0 | 6036 | 31/12/92 |
| 418 | 297 | Pirelli Internationale | Swi | 1229.9 | 481 | 0 | N/R | N/R | 0.0 | -63.4 | 0.0 | 0.0 | 0 y | 45726 • | 31/12/92 |
| 419 | 349 | Sevillana de Electricidad | Spa | 1221.5 | 221 | 249 | 1916.5 | 1796.3 | 6.7 | 126.9 | 147.6 | -14.0 | 9.4 | 6102 | 31/12/92 |
| 420 | 445 | Ems-Chemie | Swi | 1218.2 | 622 | 343 | 598.9 | 535.8 | 11.4 | 118.8 | 81.9 | 45.0 | 11.7 y | 2689 | 31/12/92 |
| 421 | 388 | Rugby Group | UK | 1218.0 | 611 | 317 | 991.5 | 812.3 | 22.1 | 87.9 | 87.4 | 0.5 | 16.5 | 7142 ¯ | 31/12/92 |
| 422 | 486 | Hepworth | UK | 1216.5 | 611 | 321 | 957.1 | 1008.7 | -5.1 | 68.3 | 107.4 | -36.4 | 21.8 | 9525 | 31/12/92 |
| 423 | 400 | Comptoirs Modernes | Fra | 1216.1 | 495 | 156 | 3946.9 | 3728.3 | 5.9 | 92.1 | 87.4 | 5.3 | 20.0 y | 16916 | 31/12/92 |
| 424 | 381 | Kymmene | Fin | 1213.4 | 651 | 223 | 2355.0 | 2327.5 | 1.2 | -160.1 | -90.5 | 0.0 | 0 y | 16050 | 31/12/92 |
| 425 | 0 | Schindler | Swi | 1212.9 | 566 | 183 | 3185.1 | 2817.0 | 13.1 | 139.0 | 114.5 | 21.4 | 8.6 y | 32656 | 31/12/92 |
| 426 | 320 | Springer (Axel) | Ger | 1212.8 | 472 | 229 | 2200.6 | 2271.6 | -3.1 | 52.4 | 26.3 | 99.6 | 7.2 | 12663 | 31/12/92 |
| 427 | 354 | Wienerberger Baustoffindustrie | Aus | 1210.5 | 613 | 312 | 1020.4 | 924.5 | 11.2 | 48.8 | 70.5 | -30.7 | 8.0 | 5590 | 31/12/92 |
| 428 | 413 | Delta | UK | 1210.2 | 563 | 300 | 1190.7 | 1180.7 | 1.5 | 84.0 | 97.7 | -14.1 | 15.3 | 14033 ¯ | 02/01/93 |
| 429 | 323 | SME | Ita | 1206.3 | 451 | 165 | 3705.8 | 3374.7 | 9.8 | 90.6 | 101.6 | -10.8 | 7.9 | 20857 | 31/12/91 |
| 430 | 436 | Seeboard | UK | 1194.6 | 221 | 251 | 1869.7 | 1764.8 | 5.9 | 171.9 | 150.1 | 14.5 | 23.9 | 6039 | 31/03/93 |
| 431 | 342 | Cobepa | Bel | 1191.1 | 112 | 0 | N/R | N/R | 0.0 | 105.8 | 142.9 | -26.0 a | 9.1 | n/a | 31/12/92 |
| 432 | 435 | Bekaert | Bel | 1172.7 | 633 | 277 | 1528.1 | 1521.8 | 0.4 | 96.4 | -18.5 | 0.0 | 10.2 | 11404 | 31/12/92 |
| 433 | 420 | Greenalls Group | UK | 1161.0 | 421 | 329 | 807.0 | 743.9 | 8.5 | 98.2 | 97.8 | 0.4 | 8.8 | 8039 ¯ | 25/09/92 |
| 434 | 353 | Altana | Ger | 1159.9 | 433 | 269 | 1622.4 | 1588.0 | 2.2 | 117.3 | 116.1 | 1.0 | 17.8 | 9826 | 31/12/92 |
| 435 | 406 | Fromageries Bel | Fra | 1156.9 | 451 | 298 | 1253.7 | 1200.5 | 4.4 | 97.6 | 78.5 | 24.2 | 27.8 | 6352 | 31/12/92 |
| 436 | 438 | Northern Electric | UK | 1142.6 | 221 | 291 | 1346.4 | 1241.2 | 8.5 | 169.9 | 149.8 | 13.4 | 28.8 | 4826 | 31/03/93 |
| 437 | 300 | GIB Group | Bel | 1141.8 | 491 | 95 | 6548.1 | 6237.4 | 5.0 | 118.2 | 110.6 | 6.9 | 14.8 y | 57139 | 31/01/93 |
| 438 | 0 | Mapfre (Corp) | Spa | 1139.6 | 151 | 0 | N/R | N/R | 0.0 | 26.3 | 68.0 | -61.7 | 0 | 4598 | 31/12/92 |
| 439 | 491 | MAI | UK | 1130.6 | 122 | 0 | N/R | N/R | 0.0 | 122.3 | 108.6 | 12.6 | 39.6 | 5088 | 30/06/93 |
| 440 | 0 | Unitas Bank | Fin | 1120.5 | 112 | 0 | N/R | N/R | 0.0 | -467.7 | -22.2 | 0.0 | 0 | 8674 | 31/12/92 |
| 441 | 489 | V.N.U. | Net | 1109.4 | 472 | 278 | 1503.8 | 1502.8 | 0.1 | 121.5 | 107.2 | 13.4 | 26.9 | 10246 | 31/12/92 |
| 442 | 433 | Manweb | UK | 1105.4 | 221 | 285 | 1403.1 | 1273.0 | 10.2 | 169.6 | 144.4 | 17.4 | 23.7 | 4533 | 31/03/93 |
| 443 | 450 | DBV | Ger | 1104.3 | 151 | 0 | N/R | N/R | 0.0 | 37.1 | 51.8 | -28.4 | 0 | 3544 | 31/12/92 |
| 444 | 427 | Eiffage | Fra | 1093.8 | 613 | 88 | 6694.8 | 2455.2 | 0.0 | 83.9 | 96.0 | 0.0 + | 5.0 y | 47368 • | 31/12/92 |
| 445 | 0 | Next | UK | 1089.5 | 491 | 335 | 739.3 | 704.7 | 4.9 | 59.3 | 18.8 | 216.3 | 13.6 | 8363 | 31/01/93 |
| 446 | 302 | Morrison (Wm) Supermarkets | UK | 1088.5 | 493 | 242 | 2008.4 | 1705.3 | 17.8 | 127.9 | 95.6 | 33.8 | 20.7 | 17762 | 30/01/93 |
| 447 | 383 | Morgan Crucible | UK | 1081.2 | 591 | 307 | 1043.3 | 965.8 | 8.0 | 93.5 | 73.4 | 27.4 | 16.8 | 12774 ¯ | 03/01/93 |
| 448 | 0 | M & G Group | UK | 1080.5 | 122 | 0 | N/R | N/R | 0.0 | 60.1 | 59.9 | 0.4 | 38.5 | 765 | 30/09/92 |
| 449 | 351 | Fecsa | Spa | 1080.1 | 221 | 272 | 1600.3 | 1650.2 | -3.6 | 118.5 | 128.9 | -8.1 | 8.1 y | 3850 | 31/12/92 |
| 450 | 425 | South West Water | UK | 1079.7 | 221 | 359 | 296.5 | 254.0 | 16.8 | 141.4 | 137.3 | 3.0 | 13.0 | 2656 | 31/03/93 |
| 451 | 390 | Union Electrica-Fenosa | Spa | 1076.7 | 221 | 222 | 2363.1 | 2210.4 | 6.9 | 148.7 | 143.8 | 1.3 | 9.4 | 6270 | 31/12/92 |
| 452 | 378 | Bon Marche | Fra | 1076.2 | 495 | 142 | 4436.3 | 4303.5 | 3.1 | 831.5 | 1109.7 | -25.1 | 17.3 y | 17891 • | 31/12/92 |
| 453 | 451 | Nuernberger Beteiligung | Ger | 1074.6 | 151 | 0 | N/R | N/R | 0.0 | 34.7 | 27.3 | 27.0 | 0 | 24913 | 31/12/92 |
| 454 | 463 | Security Services | UK | 1070.1 | 406 | 325 | 858.6 | 779.8 | 10.1 | 56.5 | 31.1 | 81.4 | 25.7 | 40772 | 30/09/92 |
| 455 | 480 | South Western Electricity | UK | 1067.3 | 221 | 289 | 1360.6 | 1292.1 | 5.3 | 154.2 | 126.6 | 21.8 | 20.1 | 5589 | 31/03/93 |
| 456 | 500 | Bergesen d.y. Group | Nor | 1063.2 | 303 | 355 | 373.4 | 440.9 | -15.3 | 2.8 | 135.2 | -97.9 | 2.7 | 716 # | 31/12/92 |
| 457 | 457 | IFIL | Ita | 1063.0 | 171 | 0 | N/R | N/R | 0.0 | 130.4 | 115.5 | 12.9 | 10.5 y | 32 | 31/12/92 |
| 458 | 0 | Rinascente (La) | Ita | 1062.6 | 491 | 199 | 2867.4 | 2628.2 | 9.1 | 98.9 | 89.0 | 11.0 | 8.6 | 14606 | 31/12/92 |
| 459 | 0 | FKI | UK | 1062.6 | 563 | 302 | 1153.3 | 1127.4 | 2.3 | 58.0 | 46.5 | 24.7 | 12.8 | 12470 ¯ | 31/03/93 |
| 460 | 0 | Italcable | Ita | 1061.4 | 223 | 348 | 502.6 | 431.1 | 16.6 | 145.0 | 133.8 | 8.4 | 13.6 y | 3061 | 31/12/92 |
| 461 | 480 | Imetal | Fra | 1060.2 | 634 | 309 | 1030.2 | 985.3 | 4.6 | 69.0 | 62.2 | 11.0 | 11.5 y | 5453 | 31/12/92 |
| 462 | 359 | HEW | Ger | 1058.6 | 221 | 267 | 1663.5 | 1578.6 | 5.4 | 100.0 | 97.0 | 3.1 | 5.3 y | 5793 ¯ | 31/12/92 |
| 463 | 426 | Nobel Industries | Swe | 1056.2 | 622 | 208 | 2662.8 | 3067.0 | -13.1 | 338.1 | -634.8 | 0.0 | 29.9 | 20194 | 31/12/92 |
| 464 | 367 | Tabacalera | Spa | 1054.9 | 425 | 173 | 3468.8 | 3376.7 | 2.7 | 153.8 | 167.9 | -8.4 | 20.5 y | 11835 | 31/12/92 |
| 465 | 0 | SAP | Ger | 1048.6 | 551 | 347 | 512.9 | 436.4 | 17.5 | 103.6 | 107.5 | -3.6 | 28.1 | 2935 | 31/12/92 |
| 466 | 0 | Sovac | Fra | 1044.7 | 122 | 0 | N/R | N/R | 0.0 | 117.0 | 106.2 | 10.1 | 12.9 | 2329 | 31/12/92 |
| 467 | 0 | BBA Group | UK | 1039.0 | 571 | 241 | 2017.4 | 1909.9 | 5.6 | 72.3 | 47.1 | 53.4 | 12.6 | 22352 | 31/12/92 |
| 468 | 234 | Montedison | Ita | 1033.8 | 622 | 58 | 10615.0 | 10027.2 | 7.9 | -1070.2 | 107.1 | 0.0 | 0 | 42961 • | 31/12/92 |
| 469 | 0 | Mirror Group Newspapers | UK | 1033.6 | 472 | 340 | 711.0 | 701.5 | 1.3 | -136.3 | -682.9 | 0.0 | 0 | 3566 ¯ | 27/12/92 |
| 470 | 408 | Remy Cointreau | Fra | 1028.0 | 422 | 306 | 1063.5 | 1181.1 | -10.8 | 52.7 | 78.3 | -32.7 | 4 y | 3419 | 31/03/93 |
| 471 | 0 | Metsa-Serla | Fin | 1026.5 | 652 | 292 | 1341.7 | 1339.1 | 0.2 | 16.5 | -96.7 | 0.0 | 8.1 | 9384 | 31/12/92 |
| 472 | 441 | KLM | Net | 1018.8 | 301 | 139 | 4516.1 | 4348.3 | 3.9 | -319.8 | 43.4 | 0.0 | 0 | 26911 | 31/03/93 |
| 473 | 461 | Swissair | Swi | 1017.2 | 301 | 152 | 4032.8 | 3899.2 | 3.4 | 93.2 | 67.8 | 37.5 | 4.8 | 19319 | 31/12/92 |
| 474 | 0 | Sagem | Fra | 1012.2 | 521 | 230 | 2161.8 | 2071.8 | 4.3 | 161.1 | 137.4 | 17.2 | 30.2 | 14944 | 31/12/92 |
| 475 | 0 | Great Portland Estates | UK | 1000.4 | 161 | 0 | N/R | N/R | 0.0 | 61.9 | 31.0 | 67.7 | 8.4 | 13 ¯ | 31/03/93 |
| 476 | 0 | Hambros | UK | 999.9 | 121 | 0 | N/R | N/R | 0.0 | 99.1 | 113.3 | -12.5 a | 13.3 | 7617 | 31/03/93 |
| 477 | 0 | Baltica Forsikring | Den | 999.9 | 151 | 0 | N/R | N/R | 0.0 | 52.2 | 133.0 | -60.8 | 0 | 3455 | 31/12/92 |
| 478 | 453 | Douglas Holdings | Ger | 989.2 | 494 | 258 | 1776.5 | 1654.2 | 7.4 | 130.6 | 132.1 | -1.1 | 27.3 y | 14060 | 31/12/92 |
| 479 | 346 | Bongrain | Fra | 984.9 | 451 | 266 | 1712.3 | 1716.6 | -0.3 | 103.5 | 96.1 | 7.7 | 17.6 y | 8217 | 31/12/92 |
| 480 | 269 | Racal Electronics | UK | 980.5 | 551 | 284 | 1443.2 | 1433.7 | 0.7 | 78.5 | 24.6 | 113.7 | 8.6 | 12564 • | 31/03/93 |
| 481 | 463 | Colas | Fra | 980.2 | 613 | 218 | 2405.4 | 2150.7 | 11.8 | 73.7 | 76.9 | -4.2 | 13.7 y | 22300 • | 31/12/92 |
| 482 | 0 | Outokumpu | Fin | 978.5 | 634 | 210 | 2617.7 | 2183.6 | 19.9 | -94.0 | -33.1 | 0.0 | 3.2 y | 17524 | 31/12/92 |
| 483 | 0 | Baer Holdings | Swi | 977.9 | 112 | 0 | N/R | N/R | 0.0 | 61.4 | 53.7 | 14.5 | 0 | 1405 | 31/12/92 |
| 484 | 447 | Allied Colloids Group | UK | 977.6 | 622 | 353 | 449.7 | 388.2 | 15.8 | 67.7 | 64.2 | 5.5 | 27.4 | 2798 | 03/04/93 |
| 485 | 415 | Codan Group | Den | 973.7 | 151 | 0 | N/R | N/R | 0.0 | -3.8 | 54.1 | 0.0 | 0 | 1069 | 31/12/92 |
| 486 | 472 | Glynwed International | UK | 970.9 | 566 | 287 | 1382.6 | 1448.9 | -4.6 | 60.5 | 38.9 | 29.8 | 14.0 | 11441 | 26/12/92 |
| 487 | 0 | Oldenburgische Landesbank | Ger | 963.2 | 112 | 0 | N/R | N/R | 0.0 | 47.7 | 39.3 | 21.6 a | 22.6 | 2114 | 31/12/92 |
| 488 | 0 | Lapeyre | Fra | 961.3 | 611 | 337 | 733.1 | 704.4 | 4.1 | 78.7 | 73.5 | 7.1 | 26.3 | 3413 | 31/12/92 |
| 489 | 0 | Bunzl | UK | 955.4 | 652 | 244 | 1966.7 | 2127.4 | -7.6 | 68.8 | 32.2 | 113.7 | 15.0 | 8046 ¯ | 31/12/92 |
| 490 | 347 | Dunhill Holdings | UK | 955.2 | 406 | 349 | 499.2 | 388.3 | 28.6 | 107.9 | 115.9 | -7.0 | 25.5 | 2292 | 31/03/93 |
| 491 | 455 | Emap | UK | 952.8 | 473 | 351 | 485.5 | 411.0 | 18.1 | 64.6 | 41.4 | 56.2 | 317.7 | 4820 | 03/04/93 |
| 492 | 0 | Kleinwort Benson Group | UK | 951.6 | 121 | 0 | N/R | N/R | 0.0 | 70.6 | 42.6 | 65.9 < | 14.2 | 2111 | 31/12/92 |
| 493 | 0 | Aare-Tessin | Swi | 948.8 | 221 | 326 | 855.2 | 816.8 | 4.7 | 49.5 | 38.7 | 28.0 | 7.0 y | 463 | 31/03/93 |
| 494 | 0 | Wimpey (George) | UK | 946.9 | 613 | 214 | 2600.3 | 2674.2 | -6.5 | -171.4 | -24.6 | 0.0 | 0 | 13800 | 31/12/92 |
| 495 | 470 | South Wales Electricity | UK | 946.2 | 221 | 324 | 893.8 | 900.2 | -0.7 | 132.7 | 111.2 | 19.3 | 26.7 | 3166 ¯ | 31/03/93 |
| 496 | 0 | Dragados y Construcciones | Spa | 933.5 | 613 | 215 | 2499.1 | 2548.5 | -1.9 | 99.9 | 98.2 | 1.8 | 13.3 | 21989 | 31/12/92 |
| 497 | 434 | Vereins- und Westbank | Ger | 933.1 | 112 | 0 | N/R | N/R | 0.0 | 19.0 | 24.7 | -22.8 a | 3.5 y | 5421 | 31/12/92 |
| 498 | 0 | Farnell Electronics | UK | 933.1 | 551 | 354 | 387.9 | 312.6 | 24.1 | 63.5 | 49.9 | 27.2 | 42.7 | 3294 | 31/01/93 |
| 499 | 0 | Assitalia | Ita | 932.1 | 151 | 0 | N/R | N/R | 0.0 | 1.4 | 33.3 | -95.8 | 0 | 2051 # | 31/12/92 |
| 500 | 0 | Kansallis-Osake-Pankki | Fin | 931.2 | 112 | 0 | N/R | N/R | 0.0 | -633.2 | -278.9 | 0.0 | 0 | 8766 | 31/12/92 |





# THE FT500

# 500 251-375

| Ranking 1993 | 1992 | company | Market Capital £m | Sector | Turnover Rank | Turnover This year £m | Turnover Last year £m | per cent change | Profit This year £m | Profit Last year £m | per cent change | ROCE | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 251 | 351 | Barratt Developments | 331.5 | 614 | 192 | 405.3 | 438.3 | -7.5 | 20.4 | 11.3 | 80.5 | 8.2 | 2200 | 30/06/93 |
| 252 | 221 | Body Shop International | 327.7 | 495 | 290 | 168.3 | 147.4 | 14.1 | 21.6 | 25.2 | -14.5 | 22.9 | 2124 | 28/02/93 |
| 253 | 323 | Cray Electronics | 325.6 | 551 | 269 | 200.8 | 84.8 | 0.0 | 29.0 | 2.4 | 0.0 + | 51.1 | 2956 ¯ | 30/04/93 |
| 254 | 308 | VSEL Consortium | 325.0 | 592 | 308 | 141.7 | 392.1 | -63.9 | 65.6 | 47.9 | 16.1 | 21.0 | 9820 | 31/03/93 |
| 255 | 288 | ACT Group | 324.6 | 482 | 297 | 152.9 | 119.4 | 28.0 | 20.5 | 17.0 | 20.3 | 129.0 | 2018 | 31/03/93 |
| 256 | 168 | Pentland Group | 321.2 | 171 | 215 | 326.5 | 340.1 | -4.0 | 83.6 | 240.0 | -65.2 | 20.4 | 3420 | 31/12/92 |
| 257 | 254 | Powerscreen International | 319.0 | 566 | 344 | 108.3 | 88.1 | 22.9 | 25.3 | 18.8 | 34.8 | 44.9 | 862 | 31/03/93 |
| 258 | 279 | Boddington Group | 318.3 | 421 | 248 | 236.2 | 186.9 | 26.4 | 26.3 | 20.3 | 29.6 | 11.0 | 7175 | 02/01/93 |
| 259 | 242 | Baird (William) | 317.0 | 412 | 168 | 541.5 | 532.8 | 1.6 | 23.4 | 25.1 | -6.6 | 13.6 | 16997 | 31/12/92 |
| 260 | 234 | Portals Holdings | 316.2 | 566 | 274 | 194.2 | 192.7 | 0.8 | 25.5 | 25.2 | 1.3 | 21.5 | 2984 ¯ | 31/12/92 |
| 261 | 265 | Menzies (John) | 316.1 | 495 | 109 | 1168.1 | 1100.5 | 6.1 | 30.7 | 16.6 | 84.9 | 51.0 | 12327 ¯ | 01/05/93 |
| 262 | 212 | Hickson International | 315.7 | 621 | 208 | 342.5 | 367.4 | -6.8 | 24.3 | -4.5 | 0.0 | 12.6 | 2851 ¯ | 31/12/92 |
| 263 | 300 | Christies International | 313.8 | 495 | 341 | 109.4 | 102.7 | 6.5 | 6.7 | 6.4 | 4.6 | 6.0 | 1398 | 31/12/92 |
| 264 | 274 | Savoy Hotel | 313.7 | 464 | 376 | 76.8 | 79.2 | -3.1 | -1.4 | 2.3 | 0.0 | 0.2 | 2872 | 31/12/92 |
| 265 | 219 | Shanks & McEwan Group | 311.1 | 563 | 318 | 131.0 | 145.8 | -10.1 | 10.2 | 27.1 | -62.3 | 14.6 | 1430 ¯ | 27/03/93 |
| 266 | 0 | Northern Ireland Electricity | 307.8 | 221 | 182 | 452.4 | 433.5 | 4.4 | 64.1 | 15.0 | 327.3 | 16.5 | 3851 • | 31/03/93 |
| 267 | 240 | Sema Group | 307.6 | 551 | 188 | 416.7 | 412.5 | 1.0 | 19.5 | 14.0 | 38.8 | 23.2 | 6913 | 31/12/92 |
| 268 | 259 | Lloyds Chemists | 306.7 | 494 | 134 | 802.4 | 509.4 | 57.5 | 48.7 | 36.9 | 34.7 | 45.7 | 13541 ¯ | 30/06/93 |
| 269 | 304 | Diploma | 306.2 | 551 | 317 | 132.3 | 141.9 | -6.8 | 16.6 | 14.5 | 14.5 | 22.3 | 1372 | 30/09/92 |
| 270 | 277 | Bradford Property Trust | 306.0 | 161 | 0 | N/R | N/R | 0.0 | 21.1 | 23.1 | -8.6 | 20.5 | 2033 | 05/04/93 |
| 271 | 204 | Wolverhampton & Dudley Brews | 305.9 | 421 | 263 | 209.6 | 187.6 | 11.7 | 35.2 | 33.0 | 6.6 | 10.7 | 9138 | 27/09/92 |
| 272 | 0 | Devro International | 305.7 | 451 | 369 | 82.7 | 76.5 | 8.1 | 13.1 | 10.4 | 25.7 | 38.9 | 999 • | 31/12/92 |
| 273 | 343 | Norcros | 305.7 | 592 | 203 | 352.0 | 354.7 | -0.8 | 11.5 | 15.6 | -26.2 | 7.4 | 7161 | 31/03/93 |
| 274 | 236 | St Ives | 304.5 | 471 | 257 | 221.3 | 208.1 | 6.4 | 22.1 | 21.1 | 4.8 | 18.0 | 3027 | 30/07/93 |
| 275 | 324 | TT Group | 304.5 | 563 | 283 | 174.0 | 158.3 | 9.9 | 16.6 | 14.6 | 13.7 | 28.1 | 4525 | 26/12/92 |
| 276 | 281 | Tibbett & Britten Group | 302.4 | 406 | 253 | 231.8 | 181.2 | 27.9 | 14.7 | 13.5 | 9.4 | 29.7 | 7198 | 31/12/92 |
| 277 | 296 | Anglian Group | 301.4 | 611 | 298 | 151.4 | 145.6 | 4.0 | 23.1 | 18.6 | 23.9 | 190.9 | 2126 | 03/04/93 |
| 278 | 175 | Blenheim Group | 300.7 | 481 | 246 | 239.1 | 122.2 | 0.0 | 49.7 | 28.3 | 0.0 | 0.0 | 587 ¯ • | 31/12/92 |
| 279 | 214 | Dawson International | 298.3 | 411 | 185 | 431.7 | 415.0 | 4.0 | 32.1 | 23.2 | 38.3 | 12.6 | 11973 | 27/03/93 |
| 280 | 198 | Medeva | 292.1 | 433 | 307 | 144.2 | 82.4 | 74.9 | 36.0 | 16.7 | 115.1 | 65.1 | 1943 | 31/12/92 |
| 281 | 271 | Brown (N.) Group | 292.0 | 495 | 286 | 170.8 | 152.6 | 11.9 | 19.0 | 15.7 | 21.4 | 23.5 | 1461 | 27/02/93 |
| 282 | 247 | APV | 288.1 | 563 | 121 | 947.5 | 874.4 | 8.4 | 21.0 | 26.7 | -21.3 | 11.2 | 12800 ¯ | 31/12/92 |
| 283 | 297 | Persimmon Group | 286.5 | 614 | 305 | 144.2 | 143.8 | 0.3 | 10.2 | 22.3 | -54.4 | 9.5 | 720 | 31/12/92 |
| 284 | 328 | Bilton | 284.1 | 161 | 0 | N/R | N/R | 0.0 | 17.7 | 17.4 | 1.7 | 6.0 | 204 | 31/12/92 |
| 285 | 336 | Kwik-Fit Holdings | 283.8 | 572 | 250 | 233.6 | 253.8 | -8.0 | 17.1 | 32.1 | -46.8 | 13.4 | 3328 | 28/02/93 |
| 286 | 229 | Tiphook | 279.0 | 303 | 216 | 322.4 | 303.1 | 6.4 | 86.4 | 76.1 | 13.5 | 13.8 | 975 | 30/04/92 |
| 287 | 293 | Senior Engineering Group | 278.6 | 561 | 212 | 331.6 | 297.6 | 11.4 | 6.4 | 18.3 | -65.2 | 10.1 | 5512 ¯ | 31/12/92 |
| 288 | 330 | Travis Perkins | 278.2 | 611 | 225 | 303.4 | 310.3 | -2.2 | 11.0 | 14.0 | -21.2 | 7.4 | 3219 | 31/12/92 |
| 289 | 249 | Gestetner Holdings | 276.1 | 534 | 126 | 900.3 | 898.3 | 0.2 | 27.2 | 22.5 | 20.9 | 15.6 | 11238 ¯ | 31/10/92 |
| 290 | 280 | ML Laboratories | 274.3 | 433 | 417 | 0.6 | 0.3 | 109.7 | -0.9 | -0.5 | 0.0 | 0.0 | 39 | 30/09/92 |
| 291 | 266 | Spirax-Sarco Engineering | 272.3 | 566 | 289 | 168.4 | 158.3 | 6.4 | 23.1 | 22.5 | 3.0 | 24.5 | 3439 | 31/12/92 |
| 292 | 319 | Laing (John) | 272.2 | 613 | 102 | 1254.9 | 1577.8 | -20.5 | 11.6 | -65.3 | 0.0 | 6.6 | 8800 | 31/12/92 |
| 293 | 291 | Trinity International Holdings | 267.7 | 472 | 335 | 115.4 | 135.5 | -14.8 | 16.9 | 13.3 | 27.0 | 28.8 | 3028 | 31/12/92 |
| 294 | 252 | Geest | 266.3 | 451 | 152 | 624.0 | 626.3 | -0.4 | 20.4 | 26.2 | -22.2 | 25.6 | 6998 • | 02/01/93 |
| 295 | 211 | London International Group | 265.5 | 431 | 189 | 416.0 | 398.1 | 4.5 | 27.8 | 16.9 | 64.5 | 19.0 | 10250 | 31/03/93 |
| 296 | 307 | Eurotherm | 264.5 | 551 | 293 | 154.6 | 157.7 | -2.0 | 14.6 | 7.1 | 104.0 | 22.6 | 2352 | 31/10/92 |
| 297 | 263 | Staveley Industries | 262.1 | 552 | 207 | 344.9 | 298.3 | 15.6 | 24.4 | 22.4 | 8.9 | 22.0 | 5303 ¯ | 03/04/93 |
| 298 | 269 | BTP | 262.1 | 622 | 265 | 208.8 | 175.2 | 19.2 | 20.5 | 18.2 | 12.6 | 20.3 | 2227 | 31/03/93 |
| 299 | 397 | Hambro Countrywide | 259.9 | 161 | 0 | N/R | N/R | 0.0 | -3.1 | -6.5 | 0.0 | 0.0 | 4064 | 31/12/92 |
| 300 | 317 | Amstrad | 258.6 | 551 | 223 | 306.5 | 356.6 | -13.5 | -20.5 | -70.9 | 0.0 | 0.0 | 821 | 30/06/93 |
| 301 | 314 | Hewden Stuart | 257.2 | 564 | 291 | 165.3 | 170.9 | -3.3 | 12.0 | 15.0 | -20.0 | 10.3 | 3358 | 31/01/93 |
| 302 | 302 | Asprey | 252.9 | 495 | 304 | 144.7 | 107.2 | 35.0 | 21.6 | 19.4 | 11.7 | 15.4 | 1196 | 31/03/93 |
| 303 | 305 | Fairey Group | 252.8 | 521 | 348 | 104.3 | 88.8 | 17.5 | 17.3 | 14.5 | 19.4 | 34.9 | 2047 | 31/12/92 |
| 304 | 286 | Heath C.E. | 252.5 | 142 | 0 | N/R | N/R | 0.0 | 1.5 | 19.0 | -92.2 | 0.0 | 3656 ¯ | 31/03/93 |
| 305 | 233 | Micro Focus Group | 251.5 | 482 | 381 | 67.7 | 55.9 | 21.3 | 22.3 | 18.1 | 22.7 | 72.0 | 580 | 31/01/93 |
| 306 | 325 | Mersey Docks and Harbour Co | 251.0 | 308 | 365 | 86.4 | 69.5 | 24.3 | 16.4 | 13.2 | 24.5 | 13.2 | 1638 | 31/12/92 |
| 307 | 285 | Marston,Thompson & Evershed | 248.5 | 421 | 323 | 127.7 | 116.0 | 10.1 | 20.1 | 15.1 | 33.3 | 9.3 | 3496 | 27/03/93 |
| 308 | 315 | Watmoughs | 247.9 | 471 | 330 | 118.9 | 107.4 | 10.7 | 12.2 | 8.1 | 50.7 | 14.4 | 1764 | 31/12/92 |
| 309 | 363 | Heywood Williams Group | 247.4 | 611 | 195 | 389.5 | 347.4 | 12.1 | 5.5 | 19.2 | -71.4 | 9.0 | 7226 | 31/12/92 |
| 310 | 288 | Brake Bros | 245.7 | 451 | 228 | 280.5 | 223.0 | 25.8 | 16.0 | 15.4 | 3.7 | 34.4 | 2718 | 31/12/92 |
| 311 | 425 | Astec (BSR) | 243.6 | 551 | 239 | 251.0 | 273.0 | -8.1 | 7.8 | -4.8 | 0.0 | 8.9 | 10486 | 31/12/92 |
| 312 | 361 | Bardon | 243.4 | 611 | 209 | 336.2 | 334.0 | 0.7 | 18.2 | 26.9 | -32.3 | 5.5 | 3618 • | 31/12/92 |
| 313 | 287 | Greene King | 237.2 | 421 | 314 | 133.6 | 128.6 | 3.9 | 20.1 | 20.3 | -0.8 | 10.3 | 2354 | 02/05/93 |
| 314 | 451 | Stakis | 236.5 | 461 | 295 | 154.1 | 171.5 | -10.1 | 0.3 | -47.4 | 0.0 | 5.3 | 7130 | 27/09/92 |
| 315 | 283 | Nurdin & Peacock | 236.0 | 512 | 88 | 1444.6 | 1369.6 | 5.5 | 30.2 | 27.6 | 9.3 | 22.8 | 5252 • | 01/01/93 |
| 316 | 294 | London Merchant Securities | 234.7 | 161 | 0 | N/R | N/R | 0.0 | 25.6 | 24.0 | 6.6 | 8.2 | 82 | 31/03/93 |
| 317 | 301 | Bulmer H.P. Holdings | 233.1 | 424 | 237 | 251.8 | 221.9 | 13.5 | 19.6 | 17.1 | 14.6 | 22.7 | 1489 | 30/04/93 |
| 318 | 333 | Amec | 232.3 | 613 | 60 | 2121.7 | 2338.2 | -9.3 | -87.5 | -13.1 | 0.0 | 0.0 | 27171 | 31/12/92 |
| 319 | 313 | Davis Service Group | 230.9 | 591 | 242 | 247.4 | 309.2 | -20.0 | 17.5 | 16.7 | 5.1 | 14.7 | 17483 ¯ | 31/12/92 |
| 320 | 295 | Meggitt | 229.8 | 563 | 213 | 327.6 | 301.9 | 8.5 | 23.0 | 18.7 | 23.1 | 18.0 | 6811 ¯ | 31/12/92 |
| 321 | 298 | Polypipe | 229.6 | 611 | 329 | 120.5 | 108.3 | 11.3 | 17.1 | 15.4 | 11.2 | 32.6 | 1681 | 30/06/93 |
| 322 | 171 | Spring Ram Corporation | 229.5 | 406 | 275 | 193.3 | 194.2 | -0.5 | 26.2 | 36.2 | -27.5 | 20.9 | 2356 | 03/01/93 |
| 323 | 276 | Scottish Television | 229.4 | 474 | 325 | 126.1 | 114.2 | 10.4 | 10.1 | 8.6 | 17.7 | 19.6 | 554 | 31/12/92 |
| 324 | 355 | Hunting | 229.0 | 561 | 133 | 809.8 | 749.7 | 8.0 | 29.2 | 15.4 | 89.9 | 18.7 | 7665 ¯ | 31/12/92 |
| 325 | 261 | Life Sciences International | 227.1 | 402 | 338 | 110.5 | 91.8 | 20.4 | 20.6 | 18.5 | 11.6 | 28.3 | 1554 | 31/12/92 |
| 326 | 402 | Frogmore Estates | 224.3 | 161 | 0 | N/R | N/R | 0.0 | 10.7 | 9.9 | 8.0 | 7.8 | 87 | 30/06/93 |
| 327 | 357 | London Forfaiting | 223.0 | 121 | 0 | N/R | N/R | 0.0 | 18.1 | 15.1 | 19.7 | 14.2 | 77 | 31/12/92 |
| 328 | 379 | Howden Group | 221.3 | 561 | 210 | 335.1 | 292.3 | 14.7 | 18.5 | 18.1 | 2.2 | 14.7 | 4226 | 03/05/93 |
| 329 | 284 | Taunton Cider | 220.8 | 424 | 326 | 124.9 | 109.3 | 14.2 | 17.6 | 6.6 | 168.0 | 49.7 | 658 ¯ | 01/05/93 |
| 330 | 348 | Henderson Administration Grp | 220.3 | 122 | 0 | N/R | N/R | 0.0 | 14.6 | 17.0 | -14.5 | 24.1 | 457 | 31/03/93 |
| 331 | 394 | Bellway | 220.2 | 614 | 320 | 130.0 | 108.2 | 20.1 | 13.0 | 9.3 | 39.8 | 13.0 | 634 | 31/07/92 |
| 332 | 384 | Westland | 219.6 | 523 | 166 | 422.1 | 467.4 | -9.7 | 26.3 | 23.7 | 11.0 | 13.9 | 8768 | 02/10/92 |
| 333 | 366 | Kalon Group | 216.1 | 611 | 346 | 106.3 | 98.5 | 7.9 | 10.6 | 9.2 | 14.8 | 34.5 | 1420 | 31/12/92 |
| 334 | 364 | Vosper Thornycroft | 215.1 | 592 | 271 | 196.2 | 156.8 | 25.1 | 19.0 | 16.0 | 18.7 | 37.9 | 1788 | 31/03/93 |
| 335 | 321 | Betterware | 212.1 | 495 | 389 | 56.3 | 41.7 | 35.2 | 13.7 | 7.0 | 94.3 | 78.3 | 478 | 27/02/93 |
| 336 | 278 | Yule Catto | 212.0 | 622 | 255 | 221.9 | 225.5 | -1.6 | 22.2 | 21.8 | 1.6 | 35.4 | 2799 | 31/12/92 |
| 337 | 290 | Takare | 210.2 | 434 | 396 | 48.0 | 29.7 | 61.6 | 11.8 | 7.6 | 55.9 | 10.1 | 3860 | 31/12/92 |
| 338 | 299 | Paterson Zochonis | 209.1 | 431 | 251 | 233.4 | 227.3 | 2.7 | 28.5 | 26.6 | 7.1 | 13.9 | 3926 | 31/05/93 |
| 339 | 342 | Daejan Holdings | 206.8 | 161 | 0 | N/R | N/R | 0.0 | 16.7 | 13.9 | 19.9 | 9.0 | 140 ¯ | 31/03/93 |
| 340 | 335 | Ashley (Laura) Holdings | 206.7 | 495 | 240 | 247.8 | 262.8 | -5.7 | 1.8 | -9.1 | 0.0 | 4.6 | 4835 ¯ • | 30/01/93 |
| 341 | 375 | Clyde Petroleum | 205.7 | 213 | 368 | 83.3 | 87.2 | -4.5 | -41.1 | -4.7 | 0.0 | 0.0 | 144 ¯ | 31/12/92 |
| 342 | 0 | Perpetual | 203.9 | 122 | 0 | N/R | N/R | 0.0 | 4.8 | 2.9 | 63.0 < | 43.3 | 120 | 30/09/92 |
| 343 | 322 | Waddington (John) | 203.2 | 652 | 256 | 221.6 | 231.4 | -4.2 | 6.1 | 7.2 | -16.0 | 8.2 | 3486 ¯ | 03/04/93 |
| 344 | 320 | Tilbury Douglas | 201.9 | 613 | 198 | 381.6 | 239.6 | 59.3 | 16.0 | 15.0 | -0.1 | 18.5 | 4154 | 31/12/92 |
| 345 | 372 | Gerrard & National | 200.7 | 121 | 0 | N/R | N/R | 0.0 | 25.2 | 15.7 | 60.9 a | 24.3 | 650 ¯ | 05/04/93 |
| 346 | 383 | Unitech | 195.6 | 551 | 235 | 252.9 | 253.5 | -0.2 | 10.5 | 14.0 | -24.4 | 10.2 | 5511 ¯ | 31/05/93 |
| 347 | 381 | Mieys | 194.2 | 482 | 359 | 88.8 | 68.0 | 30.5 | 15.1 | 9.1 | 65.9 | 293.5 | 1353 | 31/05/93 |
| 348 | 338 | FR Group | 193.1 | 621 | 278 | 182.8 | 168.4 | 8.6 | 23.3 | 21.4 | 8.9 | 16.9 | 3647 | 31/12/92 |
| 349 | 292 | Photo-Me International | 192.0 | 461 | 313 | 134.0 | 114.8 | 16.7 | 17.6 | 16.4 | 7.2 | 25.3 | 2074 | 30/04/93 |
| 350 | 318 | Wagon Industrial Holdings | 191.9 | 591 | 241 | 247.6 | 229.5 | 7.9 | 18.1 | 12.7 | 42.5 | 20.0 | 3776 ¯ | 31/03/93 |
| 351 | 0 | Stagecoach Holdings | 190.4 | 304 | 294 | 154.3 | 140.7 | 9.7 | 13.0 | 8.2 | 57.2 | 25.0 | 11267 • | 30/04/93 |
| 352 | 349 | B.S.G. International | 189.9 | 591 | 166 | 556.1 | 569.8 | -2.6 | 12.0 | 11.1 | 8.2 | 12.2 | 6179 | 31/12/92 |
| 353 | 377 | Property Security Invest. Tst | 189.7 | 161 | 0 | N/R | N/R | 0.0 | 8.7 | 6.7 | 28.9 | 7.6 | 42 | 31/03/93 |
| 354 | 312 | JIB Group | 189.1 | 142 | 0 | N/R | N/R | 0.0 | 18.2 | 20.1 | -9.3 | 0.0 | 3593 | 31/12/92 |
| 355 | 0 | Holliday Chemical | 189.0 | 622 | 355 | 97.1 | 63.1 | 53.8 | 7.6 | 6.1 | 24.9 | 22.5 | 985 • | 31/12/92 |
| 356 | 412 | Hardy Oil & Gas | 188.6 | 213 | 392 | 50.7 | 41.0 | 23.7 | 3.3 | 3.1 | 8.7 | 7.1 | 119 | 31/03/93 |
| 357 | 345 | Lloyd Thompson Group | 188.5 | 142 | 0 | N/R | N/R | 0.0 | 17.4 | 14.4 | 21.2 | 0.0 | 347 | 30/06/92 |
| 358 | 415 | Close Brothers Group | 187.6 | 121 | 0 | N/R | N/R | 0.0 | 17.8 | 12.6 | 41.9 a | 26.8 | 390 | 31/07/93 |
| 359 | 332 | Readicut International | 187.4 | 412 | 249 | 234.8 | 219.6 | 6.9 | 19.2 | 13.5 | 42.4 | 28.5 | 3859 | 31/03/93 |
| 360 | 403 | Suter | 185.4 | 171 | 272 | 196.0 | 205.7 | -4.7 | 16.3 | 17.8 | -8.4 | 26.4 | 2677 | 31/12/92 |
| 361 | 353 | Ibstock Johnsen | 185.2 | 611 | 229 | 277.4 | 285.3 | -2.8 | -27.6 | 10.6 | 0.0 | 0.0 | 4186 | 31/12/92 |
| 362 | 334 | EIS Group | 181.7 | 566 | 267 | 201.6 | 189.9 | 6.1 | 16.1 | 14.2 | 6.4 | 14.8 | 4221 ¯ • | 31/12/92 |
| 363 | 0 | Dorling Kindersley | 179.9 | 472 | 362 | 87.4 | 70.9 | 23.3 | 9.6 | 7.5 | 28.7 + | 21.6 | 569 • | 30/06/93 |
| 364 | 0 | Telemetrix | 179.7 | 552 | 353 | 98.2 | 83.7 | 17.3 | 9.8 | 4.1 | 137.3 | 40.7 | 4410 | 31/12/92 |
| 365 | 405 | Vinten Group | 178.1 | 551 | 375 | 77.3 | 63.3 | 22.1 | 10.2 | 9.2 | 11.5 | 24.9 | 1004 | 31/12/92 |
| 366 | 376 | Johnston Press | 178.1 | 471 | 378 | 71.7 | 61.9 | 15.8 | 9.8 | 7.4 | 31.9 | 45.3 | 1883 | 31/12/92 |
| 367 | 253 | Babcock International Group | 177.6 | 563 | 140 | 748.1 | 830.2 | -9.9 | 21.1 | 56.0 | -62.4 | 18.6 | 13544 ¯ | 31/03/93 |
| 368 | 359 | Yorkshire Chemicals | 176.7 | 622 | 354 | 98.0 | 92.8 | 5.6 | 10.1 | 11.0 | -8.3 | 24.9 | 959 | 31/12/92 |
| 369 | 0 | Westminster Health | 176.5 | 434 | 402 | 36.9 | 23.4 | 57.9 | 4.3 | 1.7 | 156.7 | 14.0 | 3448 | 31/05/93 |
| 370 | 0 | Field Group | 175.7 | 652 | 311 | 138.7 | 131.8 | 5.3 | 3.4 | 4.0 | -15.4 | 7.6 | 1895 • | 04/04/93 |
| 371 | 327 | Ellis & Everard | 175.6 | 622 | 194 | 394.6 | 383.4 | 2.9 | 12.2 | 3.0 | 306.7 | 16.6 | 1862 ¯ | 30/04/93 |
| 372 | 311 | Etam | 175.1 | 491 | 258 | 220.7 | 212.9 | 3.7 | 10.9 | 10.7 | 2.7 | 15.3 | 5382 ¯ | 30/01/93 |
| 373 | 411 | Sidlaw Group | 173.4 | 213 | 356 | 92.5 | 84.6 | 9.4 | 10.5 | 8.3 | 27.3 | 23.5 | 1804 | 30/09/92 |
| 374 | 406 | Silentnight Holdings | 173.1 | 406 | 296 | 153.9 | 137.6 | 11.9 | 12.0 | 12.4 | -2.7 | 29.8 | 3221 ¯ | 30/01/93 |
| 375 | 354 | City Centre Restaurants | 173.1 | 464 | 358 | 89.6 | 79.8 | 12.3 | 11.3 | 9.1 | 24.2 | 19.1 | 3558 | 31/12/92 |

■ **Footnotes to companies listed on this page**

266 Northern Ireland Electricity, stock exchange listing 6/93.
272 Devro International, stock exchange listing 6/93.
278 Blenheim Group, this year's figures for 16 months to 31/12/92, last year's for 12 months to 31/8/91
294 Geest, this year's figures for 53 weeks to 2/1/93.
312 Bardon, formerly Evered Bardon
315 Nurdin & Peacock, this year's figures for 53 weeks to 1/1/93.
340 Ashley (Laura) Holdings, this year's figures for 53 weeks to 30/1/93
351 Stagecoach Holdings, stock exchange listing 4/93.
355 Holliday Chemical, stock exchange listing 4/93.
362 EIS Group, change in accounting policy re post retirement benefits in the US.
363 Dorling Kindersley, stock exchange listing 10/92.
370 Field Group, stock exchange listing 7/93.



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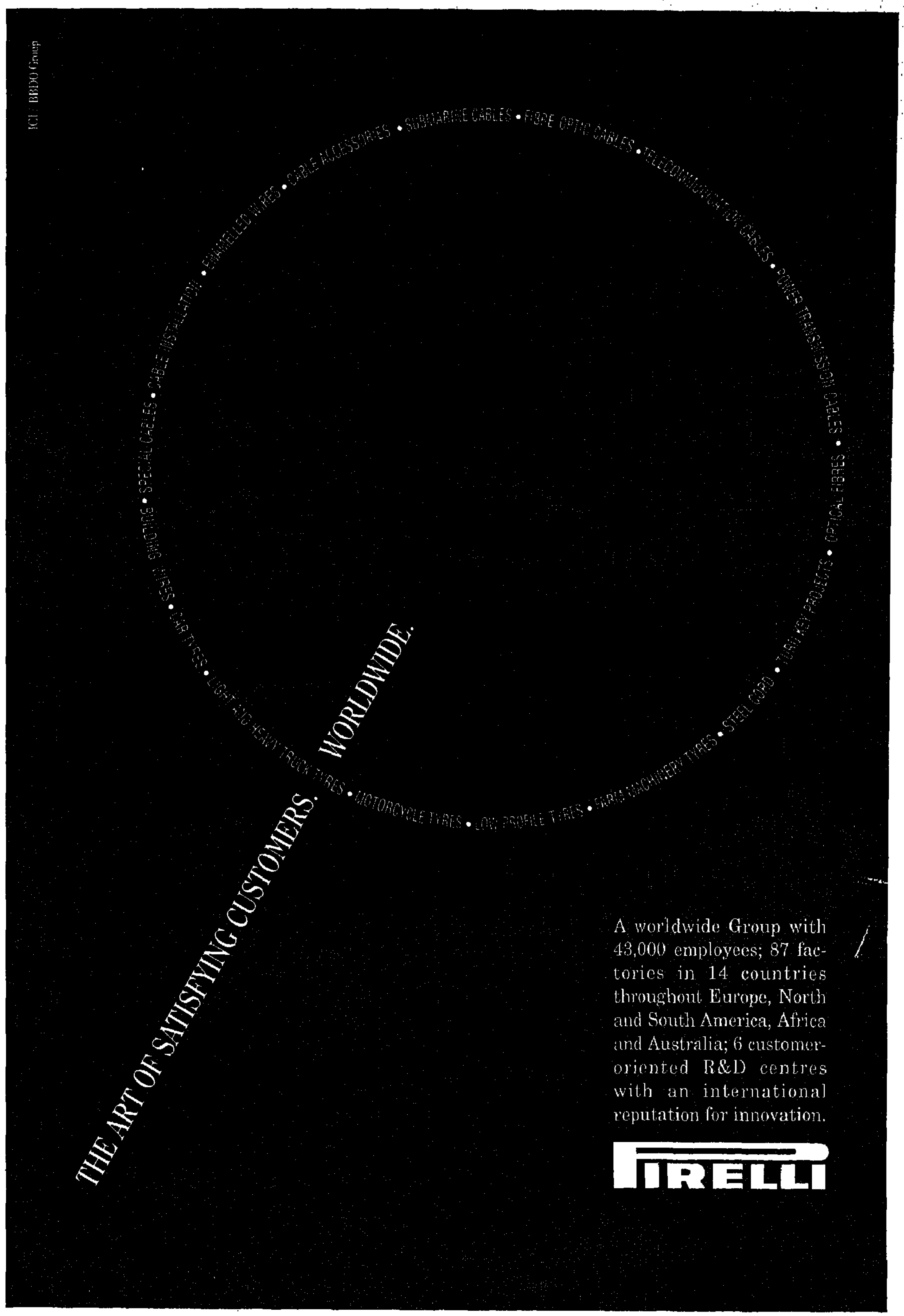
## 126-250

■ **Footnotes to companies listed on this page**

136 Dixons Group ,last year's figures for 53 weeks to 2/5/92.
138 Hays, turnover excludes sales where the Group is obliged to purchase goods on customers' behalf and sell them at cost.
140 Kwik Save Group, last year's figures for 53 weeks.
141 Transatlantic Holdings, last year's figures are restated to take account of the consolidation of the Capcount Property Trust.
143 *Chubb Security*, stock exchange listing 10/ 92. Figures are pro forma.
144 Daily Mail and General Trust, turnover includes £14m (£41.4m) discontinued activities.
152 Britannic Assurance, profit is net of tax.
182 *Racal Electronics, figures are adjusted* for the demerger of Vodafone Group plc and Chubb Security plc.
211 Charter, formerly Charter Consolidated. Restructuring following withdrawal of Minorco as a shareholder effective 23/8/93.

| Ranking 1993 | 1992 | company | Market Capital £m | Sector | Turnover Rank | Turnover This year £m | Turnover Last year £m | per cent change | Profit This year £m | Profit last year £m | per cent change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 126 | 189 | Trafalgar House | 1107.4 | 171 | 33 | 3899.5 | 3202.4 | 21.8 | -90.3 | -38.5 | 0.0 | 2.2 | 39697 | 27/09/92 |
| 127 | 108 | Dalgety | 1105.4 | 451 | 22 | 4470.3 | 3982.4 | 12.3 | 112.2 | 111.6 | 0.5 | 27.0 | 15417 | 30/06/93 |
| 128 | 151 | Hillsdown Holdings | 1101.1 | 451 | 24 | 4373.0 | 4656.6 | -6.1 | 164.1 | 198.8 | -17.5 | 13.5 | 44196 | 31/12/92 |
| 129 | 87 | Lasmo | 1087.3 | 213 | 153 | 621.0 | 281.0 | 121.0 | -281.0 | 7.0 | 0.0 | 0.0 | 1717 | 31/12/92 |
| 130 | 141 | Cookson Group | 1086.0 | 621 | 104 | 1237.5 | 1304.7 | -5.2 | 72.6 | -7.9 | 0.0 | 13.2 | 13221 | 31/12/92 |
| 131 | 111 | Smiths Industries | 1079.1 | 586 | 149 | 635.3 | 655.5 | -3.1 | 102.2 | 109.8 | -6.9 | 23.8 | 11576 | 01/08/92 |
| 132 | 107 | Yorkshire Water | 1073.9 | 221 | 178 | 481.6 | 441.2 | 9.2 | 138.6 | 123.9 | 11.9 | 12.6 | 4740 | 31/03/93 |
| 133 | 145 | Lucas Industries | 1055.5 | 571 | 54 | 2434.1 | 2252.7 | 8.1 | 50.3 | 22.5 | 123.6 | 8.5 | 45709 | 31/07/93 |
| 134 | 121 | Salvesen (Christian) | 1037.9 | 302 | 172 | 528.0 | 498.3 | 6.0 | 75.9 | 46.3 | 63.9 | 21.1 | 11098 | 31/03/93 |
| 135 | 185 | Burton Group | 1031.5 | 491 | 76 | 1764.6 | 1661.1 | 6.2 | 9.4 | -13.4 | 0.0 | 4.2 | 35964 | 29/08/92 |
| 136 | 124 | Dixons Group | 1023.7 | 495 | 68 | 1985.9 | 1867.0 | 6.4 | 33.5 | 50.1 | -33.1 | 7.9 | 14523 | 01/05/93 |
| 137 | 135 | Argos | 1021.6 | 495 | 119 | 1003.6 | 926.6 | 8.3 | 52.9 | 62.1 | -14.8 | 25.5 | 12056 | 31/12/92 |
| 138 | 131 | Hays | 1017.6 | 481 | 179 | 477.1 | 379.7 | 25.7 | 66.6 | 55.6 | 19.9 | 34.9 | 6540 | 30/06/93 |
| 139 | 134 | NORWEB | 1015.7 | 221 | 90 | 1413.5 | 1318.0 | 7.2 | 157.1 | 137.9 | 13.9 | 25.8 | 7977 | 31/03/93 |
| 140 | 102 | Kwik Save Group | 1010.5 | 493 | 57 | 2319.0 | 1784.5 | 29.9 | 110.6 | 101.7 | 8.8 | 44.4 | 14643 | 29/08/92 |
| 141 | 167 | Transatlantic Holdings | 976.3 | 122 | 0 | N/R | N/R | 0.0 | 60.7 | 61.2 | -0.8 | 8.3 | 1052 | 31/12/92 |
| 142 | 226 | Slough Estates | 969.1 | 161 | 0 | N/R | N/R | 0.0 | 50.3 | 31.6 | 59.2 | 5.4 | 412 | 31/12/92 |
| 143 | 0 | Chubb Security | 966.6 | 406 | 144 | 674.4 | 668.9 | 0.8 | 64.2 | 39.1 | 64.3 | 30.9 | 19930 | 31/03/93 |
| 144 | 142 | Daily Mail and General Trust | 962.2 | 472 | 147 | 663.8 | 644.1 | 3.1 | 43.8 | 47.7 | -8.2 | 13.3 | 8181 | 30/09/92 |
| 145 | 143 | Wessex Water | 952.5 | 221 | 266 | 205.6 | 190.8 | 7.8 | 86.0 | 76.9 | 11.8 | 12.3 | 1871 | 31/03/93 |
| 146 | 178 | Lonrho | 944.5 | 171 | 46 | 2923.0 | 2998.0 | -2.5 | 80.0 | 205.0 | -61.0 | 7.5 | 106161 | 30/09/92 |
| 147 | 128 | IMI | 937.2 | 671 | 118 | 1005.6 | 968.0 | 3.9 | 68.0 | 73.2 | -7.1 | 14.5 | 16052 | 31/12/92 |
| 148 | 137 | Southern Water | 926.8 | 221 | 218 | 319.2 | 290.7 | 9.8 | 119.2 | 115.1 | 3.6 | 14.5 | 3385 | 31/03/93 |
| 149 | 148 | Electrocomponents | 924.4 | 551 | 196 | 387.5 | 403.7 | -4.0 | 51.9 | 25.2 | 106.0 | 35.8 | 2757 | 31/03/93 |
| 150 | 127 | Willis Corroon Group | 917.0 | 142 | 0 | N/R | N/R | 0.0 | 42.5 | 41.1 | 3.4 | 0.0 | 11706 | 31/12/92 |
| 151 | 150 | Storehouse | 907.5 | 491 | 111 | 1139.3 | 1179.8 | -3.4 | 15.2 | 15.8 | -3.8 | 4.6 | 21916 | 27/03/93 |
| 152 | 149 | Britannic Assurance | 904.7 | 141 | 0 | N/R | N/R | 0.0 | 23.7 | 24.7 | -3.9 | 0.0 | 4672 | 31/12/92 |
| 153 | 164 | Sedgwick Group | 904.4 | 142 | 0 | N/R | N/R | 0.0 | 58.2 | 82.4 | -29.4 | 0.0 | 12844 | 31/12/92 |
| 154 | 153 | Unigate | 902.2 | 451 | 70 | 1925.0 | 2021.0 | -4.8 | 101.4 | 65.7 | 54.3 | 19.9 | 25385 | 31/03/93 |
| 155 | 114 | Johnson Matthey | 895.9 | 641 | 74 | 1853.7 | 1744.5 | 6.3 | 73.8 | 67.2 | 9.8 | 17.7 | 6142 | 31/03/93 |
| 156 | 209 | Hammerson Property | 891.7 | 161 | 0 | N/R | N/R | 0.0 | 31.1 | 55.5 | -44.0 | 6.5 | 391 | 31/12/92 |
| 157 | 146 | T & N | 886.3 | 591 | 92 | 1390.1 | 1358.6 | 2.3 | 63.0 | 40.4 | 55.9 | 11.0 | 37760 | 31/12/92 |
| 158 | 140 | Welsh Water | 885.0 | 221 | 197 | 382.4 | 341.9 | 11.8 | 155.6 | 138.2 | 12.5 | 15.3 | 4998 | 31/03/93 |
| 159 | 158 | Associated British Ports | 865.5 | 303 | 259 | 220.0 | 310.3 | -29.1 | -36.6 | 31.0 | 0.0 | 0.3 | 2603 | 31/12/92 |
| 160 | 129 | Booker | 863.1 | 591 | 37 | 3394.8 | 3289.1 | 3.2 | 91.0 | 103.9 | -12.4 | 28.1 | 22743 | 31/12/92 |
| 161 | 139 | MFI Furniture Group | 845.9 | 406 | 157 | 603.9 | 647.4 | -6.7 | 15.5 | 7.8 | 98.7 | 26.3 | 7579 | 24/04/93 |
| 162 | 147 | Rugby Group | 798.5 | 611 | 148 | 650.1 | 532.6 | 22.1 | 57.6 | 57.3 | 0.5 | 16.5 | 7142 | 31/12/92 |
| 163 | 182 | Hepworth | 797.6 | 611 | 151 | 627.5 | 661.3 | -5.1 | 44.8 | 70.4 | -36.4 | 21.8 | 9525 | 31/12/92 |
| 164 | 165 | Delta | 793.4 | 563 | 136 | 785.9 | 774.0 | 1.5 | 55.0 | 64.1 | -14.1 | 15.3 | 14033 | 02/01/93 |
| 165 | 161 | Seeboard | 783.1 | 221 | 106 | 1225.8 | 1157.0 | 5.9 | 112.7 | 98.4 | 14.5 | 23.9 | 6039 | 31/03/93 |
| 166 | 156 | Greenalls Group | 761.1 | 421 | 171 | 529.1 | 487.7 | 8.5 | 64.4 | 64.1 | 0.4 | 8.8 | 8039 | 25/09/92 |
| 167 | 162 | Northern Electric | 749.1 | 221 | 129 | 882.7 | 813.7 | 8.5 | 111.4 | 98.2 | 13.4 | 26.8 | 4826 | 31/03/93 |
| 168 | 184 | MAI | 741.3 | 122 | 0 | N/R | N/R | 0.0 | 80.2 | 71.2 | 12.6 | 39.6 | 5088 | 30/06/93 |
| 169 | 160 | Manweb | 724.7 | 221 | 123 | 919.9 | 834.6 | 10.2 | 111.2 | 94.7 | 17.4 | 23.7 | 4533 | 31/03/93 |
| 170 | 203 | Next | 714.3 | 491 | 177 | 484.7 | 462.0 | 4.9 | 38.9 | 12.3 | 216.3 | 13.6 | 8363 | 31/01/93 |
| 171 | 116 | Morrison (Wm) Supermarkets | 713.6 | 493 | 98 | 1316.7 | 1118.0 | 17.8 | 83.8 | 62.6 | 33.8 | 20.7 | 17782 | 30/01/93 |
| 172 | 144 | Morgan Crucible | 708.8 | 591 | 143 | 684.0 | 633.2 | 8.0 | 61.3 | 48.1 | 27.4 | 16.8 | 12774 | 03/01/93 |
| 173 | 193 | M & G Group | 708.4 | 122 | 0 | N/R | N/R | 0.0 | 39.4 | 39.2 | 0.4 | 38.5 | 765 | 30/09/92 |
| 174 | 159 | South West Water | 707.9 | 221 | 273 | 194.4 | 166.5 | 16.8 | 92.7 | 90.0 | 3.0 | 13.0 | 2556 | 31/03/93 |
| 175 | 172 | Security Services | 701.5 | 406 | 163 | 562.9 | 511.2 | 10.1 | 37.0 | 20.4 | 81.4 | 25.7 | 40772 | 30/09/92 |
| 176 | 170 | South Western Electricity | 699.7 | 221 | 127 | 892.0 | 847.1 | 5.3 | 101.1 | 83.0 | 21.8 | 20.1 | 5569 | 31/03/93 |
| 177 | 202 | FKI | 698.7 | 563 | 139 | 756.1 | 739.1 | 2.3 | 38.0 | 30.5 | 24.7 | 12.8 | 12470 | 31/03/93 |
| 178 | 192 | BBA Group | 681.2 | 571 | 97 | 1322.6 | 1252.1 | 5.6 | 47.4 | 30.9 | 53.4 | 12.6 | 22352 | 31/12/92 |
| 179 | 251 | Mirror Group Newspapers | 677.6 | 472 | 180 | 466.1 | 459.9 | 1.3 | -88.7 | -447.7 | 0.0 | 0.0 | 3566 | 27/12/02 |
| 180 | 241 | Great Portland Estates | 655.9 | 161 | 0 | N/R | N/R | 0.0 | 34.0 | 20.3 | 67.7 | 8.4 | 13 | 31/03/93 |
| 181 | 190 | Hambros | 655.6 | 121 | 0 | N/R | N/R | 0.0 | 65.0 | 74.3 | -12.5 | a 13.3 | 7617 | 31/03/93 |
| 182 | 109 | Racal Electronics | 642.8 | 551 | 122 | 946.2 | 940.0 | 0.7 | 51.5 | 16.1 | 219.6 | 8.6 | 12564 | 31/03/93 |
| 183 | 166 | Allied Colloids Group | 640.9 | 622 | 226 | 294.8 | 254.5 | 15.8 | 44.4 | 42.1 | 5.5 | 27.4 | 2798 | 03/04/93 |
| 184 | 177 | Glynwed International | 636.5 | 566 | 124 | 906.4 | 949.9 | -4.6 | 33.1 | 25.5 | 29.8 | 14.0 | 11441 | 26/12/92 |
| 185 | 191 | Bunzl | 626.4 | 652 | 99 | 1289.4 | 1394.7 | -7.6 | 45.1 | 21.1 | 113.7 | 15.0 | 8046 | 31/12/92 |
| 186 | 136 | Dunhill Holdings | 626.2 | 406 | 214 | 327.3 | 254.6 | 28.6 | 70.7 | 76.0 | -7.0 | 25.5 | 2292 | 31/03/93 |
| 187 | 169 | Emap | 624.7 | 473 | 219 | 318.3 | 269.4 | 18.1 | 42.4 | 27.1 | 56.2 | 317.7 | 4820 | 03/04/93 |
| 188 | 201 | Kleinwort Benson Group | 623.9 | 121 | 0 | N/R | N/R | 0.0 | 46.3 | 27.9 | 65.9 | < 14.2 | 2111 | 31/12/92 |
| 189 | 227 | Wimpey (George) | 620.1 | 613 | 79 | 1639.2 | 1753.2 | -6.5 | -112.4 | -16.1 | 0.0 | 0.0 | 13800 | 31/12/92 |
| 190 | 176 | South Wales Electricity | 619.7 | 221 | 160 | 586.0 | 590.2 | -0.7 | 87.0 | 72.9 | 19.3 | 28.7 | 3166 | 31/03/93 |
| 191 | 196 | Farnell Electronics | 611.8 | 551 | 234 | 254.3 | 204.9 | 24.1 | 41.6 | 32.7 | 27.2 | 42.7 | 3294 | 31/01/93 |
| 192 | 179 | Securicor Group | 609.1 | 406 | 161 | 583.8 | 565.1 | 3.3 | 54.5 | 33.0 | 64.9 | 25.1 | 41766 | 31/01/93 |
| 193 | 194 | Bowthorpe Holdings | 587.9 | 541 | 233 | 265.4 | 220.5 | 20.3 | 42.7 | 40.3 | 5.8 | 34.5 | 5136 | 31/12/92 |
| 194 | 228 | Provident Financial | 568.1 | 121 | 0 | N/R | N/R | 0.0 | 44.5 | 34.1 | 30.6 | 0.0 | 5573 | 31/12/92 |
| 195 | 206 | Smith (David S) Holdings | 561.7 | 652 | 175 | 518.9 | 361.5 | 43.5 | 27.1 | 15.4 | 76.0 | 13.0 | 6203 | 01/05/93 |
| 196 | 205 | Refuge Group | 551.3 | 141 | 0 | N/R | N/R | 0.0 | 12.5 | 12.6 | -0.5 | 0.0 | 3742 | 31/12/92 |
| 197 | 197 | Central Independent TV | 550.6 | 474 | 211 | 333.2 | 306.6 | 8.7 | 41.1 | 24.4 | 67.9 | 54.1 | 942 | 31/12/92 |
| 198 | 174 | Courtaulds Textiles | 535.6 | 412 | 128 | 889.6 | 922.0 | -3.5 | 39.1 | 42.2 | -7.3 | 14.8 | 21600 | 31/12/92 |
| 199 | 437 | WPP Group | 531.1 | 475 | 101 | 1273.0 | 1204.4 | 5.7 | 23.2 | 56.1 | -58.7 | 64.5 | 20684 | 31/12/92 |
| 200 | 180 | Iceland Frozen Foods Hldgs | 524.8 | 493 | 116 | 1037.3 | 889.1 | 16.7 | 55.3 | 46.3 | 19.3 | 29.2 | 12530 | 02/01/93 |
| 201 | 213 | United Friendly Group | 524.4 | 151 | 0 | N/R | N/R | 0.0 | 23.4 | 20.1 | 16.4 | 0.0 | 3651 | 31/12/92 |
| 202 | 275 | Meyer International | 521.3 | 611 | 113 | 1088.1 | 1125.8 | -3.3 | 14.4 | -19.9 | 0.0 | 7.1 | 6740 | 31/03/93 |
| 203 | 248 | Vickers | 520.1 | 566 | 141 | 718.5 | 652.2 | 10.2 | -25.9 | -12.4 | 0.0 | 0.0 | 10422 | 31/12/92 |
| 204 | 186 | The Telegraph | 518.2 | 473 | 247 | 237.2 | 219.1 | 8.2 | 44.4 | 40.5 | 9.4 | 27.9 | 1035 | 31/12/92 |
| 205 | 225 | Compass Group | 508.8 | 464 | 206 | 345.1 | 320.9 | 7.5 | 34.9 | 32.0 | 9.1 | 41.8 | 19972 | 27/09/92 |
| 206 | 270 | Brixton Estate | 507.5 | 161 | 0 | N/R | N/R | 0.0 | 28.5 | 27.4 | 4.1 | 7.5 | 93 | 31/12/92 |
| 207 | 185 | British Vita | 506.0 | 622 | 135 | 788.5 | 694.3 | 13.6 | 55.2 | 50.4 | 9.5 | 24.8 | 12746 | 31/12/92 |
| 208 | 220 | Ocean Group | 505.1 | 306 | 89 | 1429.1 | 1345.5 | 6.2 | 16.0 | 51.0 | -68.6 | 7.7 | 11700 | 31/12/92 |
| 209 | 187 | Scapa Group | 498.6 | 591 | 204 | 347.3 | 300.2 | 15.7 | 47.0 | 44.6 | 5.3 | 19.1 | 6422 | 31/03/93 |
| 210 | 245 | Taylor Woodrow | 493.1 | 613 | 105 | 1226.0 | 1394.5 | -12.1 | -66.1 | -2.7 | 0.0 | 0.0 | 10266 | 31/12/92 |
| 211 | 152 | Charter | 493.1 | 611 | 170 | 537.7 | 462.5 | 16.3 | 289.2 | 85.5 | 238.2 | 54.5 | 8521 | 31/03/93 |
| 212 | 250 | Amersham International | 483.8 | 431 | 231 | 269.3 | 273.5 | -1.5 | 26.3 | 20.7 | 27.1 | 17.1 | 3261 | 31/03/93 |
| 213 | 183 | Weir Group | 478.5 | 561 | 193 | 401.7 | 424.1 | -5.3 | 39.2 | 34.2 | 14.5 | 30.1 | 6267 | 01/01/93 |
| 214 | 195 | AAH Holdings | 470.3 | 171 | 91 | 1402.1 | 1256.1 | 11.6 | 37.3 | 38.8 | -3.9 | 21.3 | 6471 | 31/03/93 |
| 215 | 217 | Fine Art Developments | 468.3 | 495 | 220 | 311.5 | 287.3 | 8.4 | 34.4 | 29.7 | 15.8 | 30.9 | 4613 | 31/03/93 |
| 216 | 222 | Caledonia Investments | 451.8 | 131 | 0 | N/R | N/R | 0.0 | 36.0 | 34.7 | 3.7 | 7.5 | 1088 | 31/03/93 |
| 217 | 303 | Invesco MIM | 449.6 | 122 | 0 | N/R | N/R | 0.0 | 12.6 | 14.5 | -13.3 | 15.8 | 1209 | 31/12/92 |
| 218 | 215 | Calor Group | 448.9 | 214 | 221 | 311.0 | 362.2 | -14.1 | 33.6 | 45.0 | -25.3 | 14.6 | 2392 | 31/12/92 |
| 219 | 267 | Albert Fisher Group | 447.6 | 451 | 108 | 1176.0 | 1095.6 | 7.3 | 52.1 | 89.0 | -41.5 | 14.6 | 6688 | 31/08/92 |
| 220 | 181 | First Leisure Corporation | 446.0 | 461 | 343 | 108.5 | 108.7 | -0.2 | 31.1 | 30.4 | 2.3 | 11.5 | 3756 | 31/10/92 |
| 221 | 223 | London and Manchester Group | 442.3 | 141 | 0 | N/R | N/R | 0.0 | 23.4 | 21.2 | 10.3 | 0.0 | 3452 | 31/12/92 |
| 222 | 264 | Marley | 441.3 | 611 | 162 | 569.0 | 574.3 | -0.9 | 8.1 | 25.0 | -67.6 | 6.3 | 9773 | 31/12/92 |
| 223 | 230 | Croda International | 432.9 | 621 | 200 | 362.9 | 352.5 | 3.0 | 29.8 | 21.3 | 39.9 | 19.3 | 4340 | 31/12/92 |
| 224 | 210 | Northumbrian Water Group | 427.3 | 221 | 236 | 252.1 | 203.5 | 23.9 | 69.4 | 61.1 | 13.6 | 10.5 | 2903 | 31/03/93 |
| 225 | 232 | Highland Distilleries | 421.1 | 422 | 288 | 169.4 | 163.4 | 3.7 | 28.7 | 28.2 | 2.0 | 18.6 | 374 | 31/08/93 |
| 226 | 262 | St James's Place Capital | 410.1 | 122 | 0 | N/R | N/R | 0.0 | 9.0 | 18.4 | -51.1 | 3.7 | 85 | 31/03/93 |
| 227 | 237 | Wickes | 406.3 | 611 | 167 | 548.4 | 542.6 | 1.1 | 6.6 | -6.7 | 0.0 | 11.5 | 4497 | 31/12/92 |
| 228 | 231 | Hazlewood Foods | 403.3 | 451 | 138 | 761.8 | 632.4 | 20.6 | 55.0 | 51.3 | 7.3 | 25.5 | 9749 | 31/03/93 |
| 229 | 243 | Halma | 398.3 | 563 | 332 | 116.1 | 94.5 | 22.8 | 20.9 | 14.2 | 46.9 | 45.9 | 1902 | 31/03/93 |
| 230 | 235 | McKechnie | 394.3 | 671 | 227 | 285.9 | 300.1 | -4.7 | 24.1 | 19.9 | 20.8 | 17.1 | 5762 | 31/07/92 |
| 231 | 430 | Danka Business Systems | 391.7 | 482 | 276 | 186.3 | 115.0 | 61.9 | 17.5 | 10.8 | 62.8 | 83.0 | 2116 | 31/03/93 |
| 232 | 255 | Bryant Group | 391.4 | 614 | 222 | 309.7 | 322.9 | -4.1 | 18.3 | 20.3 | -9.9 | 9.6 | 796 | 31/05/93 |
| 233 | 207 | Laird Group | 386.1 | 591 | 158 | 600.7 | 523.8 | 14.7 | 36.2 | 21.3 | 70.0 | 21.4 | 10725 | 31/12/92 |
| 234 | 273 | Wassall | 383.5 | 534 | 238 | 251.1 | 165.2 | 52.0 | 17.8 | 10.3 | 73.4 | 24.9 | 3557 | 31/12/92 |
| 235 | 200 | Transport Development Group | 380.6 | 302 | 159 | 599.5 | 584.3 | 2.6 | 33.5 | 16.9 | 98.4 | 11.8 | 10809 | 31/12/92 |
| 236 | 289 | Lex Service | 379.7 | 571 | 154 | 620.2 | 598.6 | 3.6 | 107.0 | -50.1 | 0.0 | 45.5 | 4706 | 31/12/92 |
| 237 | 268 | Powell Duffryn | 375.3 | 306 | 155 | 615.1 | 659.4 | -6.7 | 21.6 | 35.4 | -39.0 | 11.6 | 8498 | 31/03/93 |
| 238 | 257 | Airtours | 374.8 | 301 | 191 | 405.6 | 289.5 | 40.1 | 36.5 | 27.5 | 32.8 | 8.3 | 1321 | 30/09/92 |
| 239 | 224 | UniChem | 370.2 | 433 | 114 | 1048.7 | 920.1 | 14.0 | 31.9 | 21.4 | 49.0 | 27.9 | 4438 | 31/12/92 |
| 240 | 239 | Wilson (Connolly) Holdings | 361.9 | 613 | 268 | 201.3 | 197.9 | 1.7 | 16.8 | 27.1 | -38.0 | 7.7 | 788 | 31/12/92 |
| 241 | 218 | Attwoods | 361.8 | 406 | 190 | 410.0 | 340.9 | 20.3 | -62.2 | 25.1 | 0.0 | 0.0 | 5678 | 31/07/93 |
| 242 | 344 | Peel Holdings | 361.4 | 161 | 0 | N/R | N/R | 0.0 | 9.4 | 7.0 | 34.3 | 7.2 | 458 | 31/03/93 |
| 243 | 308 | Cowie (T.) | 358.9 | 571 | 156 | 605.9 | 564.9 | 7.3 | 24.3 | 18.2 | 33.6 | 55.4 | 2469 | 31/12/92 |
| 244 | 260 | Wilson Bowden | 357.2 | 614 | 324 | 127.7 | 135.9 | -6.0 | 16.9 | 27.8 | -39.2 | 11.2 | 681 | 31/12/92 |
| 245 | 246 | Saatchi & Saatchi | 356.3 | 475 | 0 | N/R | 5072.8 | 0.0 | -595.1 | -52.4 | 0.0 | 0.0 | 12482 | 31/12/92 |
| 246 | 244 | Monument Oil and Gas | 347.1 | 213 | 401 | 38.8 | 38.6 | 0.4 | 4.8 | 6.2 | -23.3 | 4.6 | 42 | 31/12/92 |
| 247 | 256 | Low & Bonar Group | 339.2 | 652 | 224 | 307.3 | 307.7 | -0.1 | 8.1 | 21.6 | -62.6 | 7.5 | 4236 | 30/11/92 |
| 248 | 199 | Invergordon Distillers | 339.1 | 422 | 366 | 85.0 | 92.4 | -8.0 | 32.5 | 28.0 | 16.1 | 45.1 | 525 | 31/12/92 |
| 249 | 316 | Berkeley Group | 338.4 | 614 | 279 | 182.0 | 126.4 | 44.0 | 15.8 | 12.6 | 25.5 | 12.0 | 424 | 30/04/93 |
| 250 | 238 | Vaux Group | 333.1 | 421 | 243 | 247.3 | 267.2 | -7.5 | 30.9 | 34.3 | -10.0 | 7.4 | 7859 | 03/10/92 |





■ ACCOUNTING STANDARDS

# Handle numbers with extreme care

**Andrew Jack** discusses the disparities in regulations governing reporting practices in countries across Europe and examines, in particular, the radical revisions being made in the United Kingdom

Rarely in the subject of financial reporting has so much flux affected so many companies across Europe in such a short period.

Radical changes in regulation, accounting and in the search for finance are causing enormous alteration, and presenting new challenges and opportunities to readers of company accounts.

Probably the most eye-catching example of reform came in September last year when Daimler-Benz, Germany's biggest industrial company, released first half results which plunged from a net profit of DM965m to a net loss of DM949m.

The unexpected swing of nearly DM2bn was the result of a new format of reporting, forced by its need to comply with US accounting standards so that it could gain a listing on the New York stock exchange last October.

Under Germany standards, Daimler-Benz continued to show profits of DM168m in the first six months of the year, compared with DM1.02bn in the same period in 1992. The principal difference between the two sets of figures was that German accounting allows the release of hidden reserves to camouflage operating losses.

"It shows that any idea that you could apply a standard adjustment ratio to convert Germany to British figures is ridiculous," says Christopher Nobes, Coopers & Lybrand professor of accounting at Reading University, who specialises in international accounting trends. "It was always crazy to try to say that to multiply by two would convert one to the other."

Daimler-Benz – which is likely to be followed by other companies – has had to restate its results as part of a search for new money from investors away from its traditional supporters: domestic banks.

But aside from international investor pressure for change, companies are having to adjust to new demands. Probably the most striking instance is in the UK, which is in the midst of radical revisions to accounting standards. The Accounting Standards Board (ASB) has considerably more powers than its predecessor body. A legal opinion last year suggested its guidelines have the force of law.

A separate body under the same parent institution called the Financial Reporting Review Panel also has the power to force companies to restate their accounts if they do not comply with standards in force. One of the most significant changes brought about by the ASB is FRS 1, the financial reporting standard on the cash flow statement. Over the past few months, FRS 3, a standard on the profit and loss account, has also come fully into force.

FRS 3 all but abolishes extraordinary items, brings all remaining such charges above the earnings line, and introduces new disclosure requirements.

The ASB's urgent issues task force has also been active, issuing a range of abstracts including a highly controversial one requiring the difference between the purchase and sale price of an acquisition once sold to be passed through the profit and loss account.

British companies are now also beginning to reflect in their accounts mooted ASB changes, including a tougher line on debt masquerading as equity, and on the treatment of off-balance sheet finance.

Elsewhere across Europe, many countries still present accounts according to tax legislation (which tends to emphasise lower profits) rather than the "Anglo-Saxon" model geared more to investors. But this is changing.

Professor Nobes says Norway, Sweden, Finland and France are all moving towards disentangling their tax from their accounting systems in response to the search for access to new capital markets:

In Italy, companies will for the first time begin complying with the requirements of the EC fourth directive, which requires a different format, greater disclosures and the need for an audit. In Portugal, companies will begin to comply for the first time with the EC seventh directive on consolidated accounts.

Generally, comparisons between European companies in different jurisdictions remain highly fraught.

Professor Nobes particularly stresses discrepancies in reporting of anything affected by tax, such as depreciation, long-term contracts and provisions.

He highlights wide variations in valuations of assets: at historical costs in Germany, and at 1991 and 1984 values in Italy and Spain respectively, reflecting the last time the countries required mandatory revaluations. He also raises discrepancies in the treatment of inventories (last-in, first-out is common in Italy and non-existent in the UK), and the treatment of goodwill, joint ventures and associates.

National standard setters are increasingly recognising the importance of requirements that transcend their countries' own borders.

Meanwhile, the International Accounting Standards Committee continues to strive for a set of rules with fewer alternatives which may be given renewed credibility if ratified by Iosco, the international organisation of securities commissions.

But such consensus is still a long way off. In the meantime, readers of accounts should handle numbers with extreme care.





West End still the favourite location

## THE FT500

# 500
## 1-125

| Ranking 1993 | 1992 | Company | Market Capital £m | Sector | Turnover Rank | Turnover This year £m | Turnover Last year £m | per cent change | Profit This year £m | Profit Last year £m | per cent change | ROCE | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | BT | 26832.4 | 223 | 3 | 13242.0 | 13337.0 | -0.7 | 1972.0 | 3073.0 | -35.8 | 15.0 | 170700 | 31/03/93 |
| 2 | 3 | Shell Transport & Trading | 22207.2 | 212 | 0 | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | |
| 3 | 1 | Glaxo Holdings | 19127.5 | 433 | 20 | 4930.0 | 4096.0 | 20.4 | 1675.0 | 1427.0 | 17.4 | 40.1 | 40024 | 30/06/93 |
| 4 | 10 | HSBC Holdings | 17931.9 | 112 | 0 | N/R | N/R | 0.0 | 1710.0 | 880.0 | 94.3 | a 38.2 | 99148 | 31/12/92 |
| 5 | 6 | British Petroleum | 17677.0 | 212 | 1 | 33250.0 | 32613.0 | 2.0 | 112.0 | 1203.0 | -90.7 | 3.9 | 105750 | 31/12/92 |
| 6 | 4 | BAT Industries | 14812.1 | 171 | 2 | 16006.0 | 13817.0 | 15.8 | 1645.0 | 981.0 | 67.7 | 7.7 | 197989 | 31/12/92 |
| 7 | 7 | British Gas | 14201.5 | 222 | 5 | 10254.0 | 10485.0 | -2.2 | 846.0 | 1469.0 | -42.4 | 11.3 | 79377 | 31/12/92 |
| 8 | 11 | BTR | 12543.8 | 591 | 8 | 8841.0 | 6742.0 | 31.1 | 1085.0 | 917.0 | 18.3 | 22.9 | 135133 | 31/12/92 |
| 9 | 9 | Hanson | 12055.0 | 171 | 9 | 8798.0 | 7691.0 | 14.4 | 1286.0 | 1316.0 | -2.3 | 16.4 | 75000 | 30/09/93 |
| 10 | 12 | Marks and Spencer | 10739.2 | 491 | 12 | 5951.0 | 5828.0 | 2.1 | 737.0 | 589.0 | 25.1 | 23.0 | 62080 | 31/03/93 |
| 11 | 5 | Smithkline Beecham | 10233.6 | 433 | 17 | 5219.0 | 4685.0 | 11.4 | 1115.0 | 1002.0 | 11.3 | 46.4 | 53700 | 31/12/92 |
| 12 | 20 | Cable & Wireless | 9711.1 | 223 | 34 | 3825.8 | 3176.2 | 20.5 | 918.0 | 643.5 | 42.7 | 26.0 | 39837 | 31/03/93 |
| 13 | 18 | General Electric Company | 9700.5 | 541 | 13 | 5612.0 | 5774.0 | -2.8 | 863.0 | 829.0 | 4.1 | 23.3 | 93228 | 31/03/93 |
| 14 | 15 | Grand Metropolitan | 8676.3 | 421 | 10 | 7913.0 | 8748.0 | -9.5 | 925.0 | 448.0 | 106.5 | 26.6 | 102405 | 30/09/92 |
| 15 | 13 | Unilever | 8565.5 | 451 | 0 | N/R | N/R | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | |
| 16 | 8 | Guinness | 8491.3 | 421 | 25 | 4363.0 | 4067.0 | 7.3 | 795.0 | 956.0 | -16.8 | 26.8 | 24538 | 31/12/92 |
| 17 | 21 | National Westminster Bank | 8383.5 | 112 | 0 | N/R | N/R | 0.0 | 405.0 | 110.0 | 268.2 | < 14.4 | 85900 | 31/12/92 |
| 18 | 23 | Barclays | 8358.7 | 112 | 0 | N/R | N/R | 0.0 | -242.0 | 533.0 | 0.0 | < 0.7 | 76852 | 31/12/92 |
| 19 | 14 | Sainsbury J | 7666.6 | 493 | 7 | 9685.5 | 8695.5 | 11.4 | 732.8 | 628.0 | 16.7 | 22.9 | 120119 | 13/03/93 |
| 20 | 22 | Lloyds Bank | 7397.5 | 112 | 0 | N/R | N/R | 0.0 | 801.0 | 645.0 | 24.2 | < 37.7 | 67083 | 31/12/92 |
| 21 | 19 | RTZ Corporation | 7213.7 | 634 | 41 | 3249.0 | 3552.0 | -8.6 | 537.0 | 435.0 | 23.4 | 13.1 | 68298 | 31/12/92 |
| 22 | 0 | Zeneca | 6794.6 | 433 | 30 | 3979.0 | 3929.0 | 1.3 | 102.0 | 531.0 | -80.8 | 11.2 | 33900 | 31/12/92 |
| 23 | 25 | Reuters Holdings | 6669.1 | 474 | 83 | 1567.6 | 1466.6 | 6.9 | 383.2 | 340.3 | 12.6 | 49.5 | 10185 | 31/12/92 |
| 24 | 26 | Prudential Corporation | 6442.6 | 141 | 0 | N/R | N/R | 0.0 | 406.0 | 182.0 | 123.1 | 0.0 | 23619 | 31/12/92 |
| 25 | 17 | Wellcome | 6021.7 | 433 | 77 | 1762.0 | 1606.3 | 9.7 | 504.7 | 402.9 | 25.3 | 37.0 | 17706 | 29/08/92 |
| 26 | 31 | Great Universal Stores | 5550.8 | 493 | 47 | 2610.4 | 2597.1 | 8.2 | 476.0 | 443.6 | 7.1 | 14.3 | 29631 | 31/03/93 |
| 27 | 30 | Abbey National | 5388.1 | 112 | 0 | N/R | N/R | 0.0 | 564.0 | 618.0 | -8.7 | 21.0 | 15458 | 31/12/92 |
| 28 | 16 | Imperial Chemical Industries | 5160.4 | 622 | 4 | 12061.0 | 12488.0 | -3.4 | -384.0 | 843.0 | 0.0 | 0.0 | 117500 | 31/12/91 |
| 29 | 36 | Vodafone | 5060.0 | 223 | 146 | 664.1 | 585.3 | 13.5 | 322.5 | 271.8 | 18.7 | 69.3 | 2333 | 31/03/93 |
| 30 | 24 | Allied-Lyons | 5031.7 | 421 | 16 | 6266.0 | 5360.0 | -1.8 | 505.0 | 439.0 | 15.0 | 14.3 | 25810 | 06/03/93 |
| 31 | 35 | National Power | 5023.7 | 221 | 26 | 4348.0 | 4701.0 | -7.5 | 580.0 | 514.0 | 12.8 | 18.6 | 9934 | 28/03/93 |
| 32 | 27 | Boots Company | 4983.4 | 492 | 31 | 3962.1 | 3655.7 | 8.4 | 405.2 | 374.2 | 8.3 | 25.8 | 79738 | 31/03/93 |
| 33 | 33 | BAA | 4349.3 | 306 | 183 | 452.0 | 903.0 | -49.9 | 286.0 | 191.0 | 49.2 | 12.7 | 8417 | 31/03/93 |
| 34 | 41 | Kingfisher | 4316.3 | 491 | 36 | 3547.9 | 3388.8 | 4.7 | 204.8 | 195.7 | 4.6 | 16.8 | 62799 | 30/01/93 |
| 35 | 40 | Thorn Emi | 4083.0 | 461 | 23 | 4462.3 | 3954.4 | 12.6 | 289.9 | 147.9 | 96.0 | 24.6 | 49433 | 31/03/93 |
| 36 | 39 | Reed International | 4056.1 | 472 | 107 | 1196.6 | 1139.4 | 5.0 | 137.1 | 124.4 | 10.2 | 31.1 | 18100 | 31/12/92 |
| 37 | 28 | Bass | 3965.5 | 421 | 27 | 4307.0 | 4383.0 | -1.7 | 501.0 | 430.0 | 16.5 | 11.7 | 84095 | 30/09/92 |
| 38 | 29 | Tesco | 3872.3 | 493 | 11 | 7581.5 | 7097.4 | 6.8 | 580.9 | 545.5 | 6.5 | 18.5 | 86066 | 27/02/93 |
| 39 | 34 | Rothmans International | 3836.2 | 425 | 50 | 2709.6 | 2410.2 | 12.4 | 614.0 | 565.2 | 8.6 | 27.8 | 20370 | 31/03/93 |
| 40 | 38 | Cadbury Schweppes | 3734.3 | 451 | 39 | 3372.4 | 3232.3 | 4.3 | 332.7 | 314.7 | 5.7 | 33.9 | 36579 | 02/01/93 |
| 41 | 53 | Land Securities | 3439.8 | 161 | 0 | N/R | N/R | 0.0 | 233.4 | 227.5 | 2.6 | 8.1 | 547 | 31/03/93 |
| 42 | 49 | British Airways | 3405.8 | 301 | 14 | 5566.0 | 5224.0 | 6.5 | 185.0 | 434.0 | -57.4 | 11.4 | 48960 | 31/03/93 |
| 43 | 47 | Powergen | 3347.9 | 221 | 42 | 3188.0 | 3097.0 | 2.9 | 425.0 | 359.0 | 18.4 | 21.5 | 5715 | 04/04/93 |
| 44 | 54 | TSB Group | 3336.4 | 112 | 0 | N/R | N/R | 0.0 | 43.0 | -47.0 | 0.0 | 6.5 | 36715 | 31/10/92 |
| 45 | 32 | Argyll Group | 3301.2 | 493 | 18 | 5196.3 | 4729.2 | 9.9 | 417.3 | 364.5 | 14.5 | 26.8 | 65937 | 03/04/93 |
| 46 | 45 | Commercial Union | 3293.2 | 151 | 0 | N/R | N/R | 0.0 | 31.4 | -68.6 | 0.0 | 0.0 | 9132 | 31/12/92 |
| 47 | 46 | General Accident | 3159.1 | 151 | 0 | N/R | N/R | 0.0 | -29.3 | -171.6 | 0.0 | 0.0 | 13162 | 31/12/92 |
| 48 | 50 | P & O Steam Navigation | 3121.8 | 303 | 15 | 5528.4 | 4897.2 | 12.9 | 270.4 | 233.0 | 16.1 | 12.8 | 71133 | 31/12/92 |
| 49 | 69 | Scottish Power | 3113.4 | 221 | 87 | 1485.9 | 1384.6 | 7.3 | 297.1 | 260.5 | 14.0 | 30.4 | 8724 | 31/03/93 |
| 50 | 43 | Sun Alliance Group | 3103.1 | 151 | 0 | N/R | N/R | 0.0 | -129.6 | -468.2 | 0.0 | 0.0 | 16239 | 31/12/92 |
| 51 | 44 | Lloyds Abbey Life | 3040.9 | 141 | 0 | N/R | N/R | 0.0 | 297.6 | 285.5 | 4.2 | 0.0 | 10230 | 31/12/92 |
| 52 | 37 | BOC Group | 2981.9 | 622 | 48 | 2731.2 | 2718.5 | 0.5 | 215.0 | 310.1 | -30.7 | 14.0 | 38702 | 30/09/92 |
| 53 | 51 | Pearson | 2956.5 | 472 | 80 | 1628.6 | 1600.4 | 1.8 | 160.6 | 179.6 | -16.0 | 14.6 | 27968 | 31/12/92 |
| 54 | 63 | Redland | 2845.2 | 611 | 73 | 1890.2 | 1299.2 | 45.5 | 221.5 | 186.3 | 18.9 | 15.2 | 22069 | 31/12/92 |
| 55 | 42 | Inchcape | 2697.4 | 171 | 19 | 5036.7 | 3635.8 | 38.5 | 250.1 | 185.2 | 35.0 | 32.8 | 38573 | 31/12/92 |
| 56 | 73 | Tomkins | 2670.8 | 671 | 64 | 2059.5 | 1274.2 | 61.6 | 171.0 | 132.1 | 29.4 | 30.0 | 30511 | 01/05/93 |
| 57 | 61 | Rank Organisation | 2667.5 | 461 | 62 | 2090.0 | 2114.2 | -0.9 | 230.1 | 250.5 | -8.1 | 12.4 | 41991 | 31/10/92 |
| 58 | 84 | Royal Bank of Scotland Group | 2598.4 | 112 | 0 | N/R | N/R | 0.0 | 20.9 | 57.7 | -63.8 | 6.3 | 23457 | 30/09/92 |
| 59 | 90 | British Steel | 2570.6 | 633 | 28 | 4303.0 | 4598.0 | -6.4 | -149.0 | -55.0 | 0.0 | 0.0 | 45600 | 03/04/93 |
| 60 | 52 | Whitbread | 2523.1 | 421 | 56 | 2348.4 | 2191.2 | 7.1 | 177.0 | 118.6 | 49.2 | 7.3 | 64665 | 27/02/93 |
| 61 | 64 | Legal & General Group | 2369.9 | 141 | 0 | N/R | N/R | 0.0 | 116.1 | 38.8 | 199.2 | 0.0 | 8077 | 31/12/92 |
| 62 | 48 | Reckitt & Colman | 2328.3 | 431 | 72 | 1904.3 | 1986.9 | -4.2 | 181.7 | 234.0 | -22.3 | 38.4 | 20800 | 02/01/93 |
| 63 | 59 | Bowater Industries | 2261.7 | 651 | 86 | 1510.0 | 1206.1 | 25.2 | 147.2 | 99.0 | 48.7 | 26.5 | 22100 | 31/12/92 |
| 64 | 100 | Standard Chartered | 2247.7 | 112 | 0 | N/R | N/R | 0.0 | 202.0 | 205.3 | -1.6 | < 28.3 | 2959 | 31/12/92 |
| 65 | 55 | Enterprise Oil | 2189.7 | 213 | 169 | 538.1 | 487.1 | 10.5 | 144.9 | 114.4 | 26.7 | 10.8 | 655 | 31/12/92 |
| 66 | 56 | Associated British Foods | 2153.8 | 451 | 32 | 3954.0 | 4877.4 | 0.0 | 297.0 | 464.7 | 0.0 | 16.2 | 51724 | 30/09/92 |
| 67 | 57 | Ladbroke Group | 2115.9 | 461 | 29 | 4166.5 | 3785.7 | 10.1 | 40.1 | 210.4 | -80.9 | 4.9 | 52894 | 31/12/92 |
| 68 | 96 | Granada Group | 2103.8 | 461 | 95 | 1340.0 | 1364.1 | -1.8 | 130.2 | 56.9 | 128.8 | 20.7 | 18385 | 26/09/92 |
| 69 | 62 | Thames Water | 2098.4 | 221 | 115 | 1042.8 | 899.3 | 16.0 | 251.3 | 236.3 | 6.3 | 14.8 | 10352 | 31/03/93 |
| 70 | 74 | Siebe | 2079.8 | 591 | 81 | 1616.6 | 1628.0 | -0.6 | 185.1 | 169.6 | 9.1 | 22.1 | 29644 | 03/04/93 |
| 71 | 65 | Rentokil Group | 2072.7 | 622 | 181 | 466.0 | 389.0 | 19.8 | 122.4 | 94.6 | 29.3 | 80.3 | 15092 | 31/12/92 |
| 72 | 58 | Courtaulds | 2071.3 | 621 | 63 | 2074.2 | 1942.6 | 6.8 | 192.7 | 186.3 | 3.4 | 27.8 | 21600 | 31/03/93 |
| 73 | 117 | Royal Insurance Holdings | 1976.3 | 151 | 0 | N/R | N/R | 0.0 | -119.0 | -373.0 | 0.0 | 0.0 | 15890 | 31/12/92 |
| 74 | 108 | Blue Circle Industries | 1947.4 | 611 | 93 | 1370.1 | 1149.4 | 19.2 | 93.8 | 98.6 | -4.9 | 10.5 | 22186 | 31/12/92 |
| 75 | 60 | Scottish & Newcastle | 1945.9 | 421 | 85 | 1514.4 | 1487.0 | 1.8 | 182.5 | 209.1 | -12.7 | 13.7 | 26487 | 02/05/93 |
| 76 | 76 | Bank of Scotland | 1937.7 | 112 | 0 | N/R | N/R | 0.0 | 125.3 | 140.7 | -10.9 | < 14.3 | 17150 | 28/02/93 |
| 77 | 115 | MEPC | 1925.7 | 161 | 0 | N/R | N/R | 0.0 | 109.6 | 143.3 | -23.5 | 6.7 | 1047 | 30/09/92 |
| 78 | 97 | Forte | 1924.2 | 464 | 49 | 2721.0 | 2662.0 | 2.2 | 164.0 | 59.0 | 178.0 | 7.4 | 81000 | 31/01/93 |
| 79 | 70 | Severn Trent | 1910.8 | 221 | 125 | 904.6 | 821.7 | 10.1 | 270.1 | 274.0 | -1.4 | 13.6 | 10519 | 31/03/93 |
| 80 | 66 | North West Water | 1907.1 | 221 | 130 | 877.9 | 789.1 | 11.3 | 247.1 | 230.1 | 7.4 | 13.9 | 8061 | 31/03/93 |
| 81 | 77 | Guardian Royal Exchange | 1847.5 | 151 | 0 | N/R | N/R | 0.0 | 160.0 | 56.0 | 167.9 | 0.0 | 7839 | 31/12/92 |
| 82 | 67 | United Biscuits (Holdings) | 1837.6 | 451 | 44 | 3118.2 | 2979.1 | 4.7 | 162.3 | 197.2 | -17.7 | 20.8 | 38898 | 01/02/93 |
| 83 | 80 | Rolls-Royce | 1808.4 | 521 | 35 | 3562.0 | 3515.0 | 1.3 | -184.0 | 51.0 | 0.0 | 0.0 | 55000 | 31/12/92 |
| 84 | 75 | Arjo Wiggins Appleton | 1735.6 | 652 | 51 | 2622.6 | 2486.7 | 5.5 | 161.1 | 231.5 | -30.4 | 13.2 | 19436 | 31/12/92 |
| 85 | 123 | Wolseley | 1729.9 | 611 | 53 | 2491.0 | 1954.0 | 27.5 | 121.0 | 91.0 | 33.0 | 24.5 | 16318 | 31/07/93 |
| 86 | 98 | Warburg S.G. Group | 1704.8 | 121 | 0 | N/R | N/R | 0.0 | 148.2 | 166.3 | -10.9 | < 18.8 | 2995 | 31/03/93 |
| 87 | 91 | Sears | 1688.8 | 492 | 65 | 2037.6 | 2051.4 | -0.7 | -47.8 | 22.8 | 0.0 | 0.0 | 44019 | 31/01/93 |
| 88 | 133 | Asda Group | 1673.9 | 493 | 21 | 4613.8 | 4529.1 | 1.9 | 142.1 | -304.8 | 0.0 | 11.7 | 69288 | 03/05/93 |
| 89 | 94 | Coats Viyella | 1645.6 | 412 | 61 | 2109.8 | 1980.6 | 6.5 | 109.1 | 96.7 | 12.8 | 17.8 | 82 | 31/12/92 |
| 90 | 130 | Schroders | 1607.1 | 121 | 0 | N/R | N/R | 0.0 | 64.0 | 54.4 | 17.6 | < 17.9 | 1448 | 31/12/92 |
| 91 | 173 | British Aerospace | 1583.4 | 523 | 6 | 9977.0 | 10562.0 | -5.5 | -1201.0 | -112.0 | 0.0 | 0.0 | 108500 | 31/12/92 |
| 92 | 82 | TI Group | 1581.8 | 566 | 110 | 1149.3 | 899.5 | 27.8 | 87.4 | 105.2 | -16.9 | 29.2 | 14550 | 31/12/92 |
| 93 | 81 | Williams Holdings | 1576.0 | 591 | 117 | 1035.4 | 1001.7 | 3.4 | 161.3 | 168.3 | -4.2 | 35.9 | 14636 | 31/12/92 |
| 94 | 78 | Anglian Water | 1559.8 | 221 | 173 | 523.1 | 460.6 | 13.6 | 171.3 | 152.6 | 12.3 | 11.9 | 5224 | 31/03/93 |
| 95 | 126 | RMC Group | 1559.6 | 611 | 43 | 3140.2 | 2797.7 | 12.2 | 166.6 | 167.4 | -0.5 | 14.3 | 26307 | 31/12/92 |
| 96 | 101 | Southern Electric | 1530.2 | 221 | 75 | 1796.5 | 1750.6 | 2.6 | 187.3 | 166.3 | 12.6 | 27.1 | 7642 | 31/03/93 |
| 97 | 112 | BICC | 1523.3 | 541 | 38 | 3388.0 | 3452.0 | -1.9 | 77.0 | 81.0 | -4.9 | 13.3 | 40118 | 31/12/92 |
| 98 | 105 | Eastern Electricity | 1509.7 | 221 | 71 | 1916.8 | 1878.1 | 2.0 | 183.4 | 143.1 | 28.2 | 20.4 | 8415 | 31/03/93 |
| 99 | 72 | Smith & Nephew | 1498.5 | 431 | 131 | 867.7 | 791.7 | 8.3 | 154.6 | 70.3 | 119.9 | 29.1 | 13587 | 31/12/92 |
| 100 | 71 | NFC | 1489.6 | 306 | 78 | 1723.8 | 1663.7 | 3.6 | 91.0 | 93.7 | -2.9 | 20.1 | 33850 | 03/10/92 |
| 101 | 79 | Carlton Communications | 1488.4 | 474 | 150 | 635.2 | 538.0 | 18.1 | 102.3 | 88.8 | 15.2 | 2.2 | 6257 | 30/09/92 |
| 102 | 99 | Scottish Hydro-Electric | 1472.7 | 221 | 142 | 717.8 | 669.6 | 7.2 | 146.4 | 122.7 | 19.3 | 17.9 | 3494 | 31/03/93 |
| 103 | 89 | Burmah Castrol | 1466.5 | 214 | 65 | 2386.6 | 2352.4 | 1.5 | 174.9 | 130.7 | 33.8 | 18.7 | 22450 | 31/12/92 |
| 104 | 93 | Caradon Group | 1463.3 | 171 | 145 | 664.4 | 679.2 | -2.2 | 125.7 | 106.4 | 18.1 | 21.8 | 10290 | 31/12/92 |
| 105 | 68 | Northern Foods | 1430.6 | 451 | 66 | 2026.1 | 1444.2 | 40.3 | 153.0 | 126.0 | 21.4 | 51.4 | 20219 | 31/03/93 |
| 106 | 95 | Eurotunnel | 1356.7 | 613 | 0 | N/R | N/R | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | |
| 107 | 132 | BPB Industries | 1338.0 | 611 | 112 | 1124.5 | 1021.0 | 10.1 | 57.5 | 37.8 | 52.1 | 9.9 | 12152 | 31/03/93 |
| 108 | 86 | Tate & Lyle | 1337.7 | 451 | 40 | 3294.0 | 3221.1 | 2.3 | 189.5 | 230.8 | -17.9 | 17.1 | 17004 | 26/09/92 |
| 109 | 163 | Tarmac | 1321.0 | 613 | 45 | 2934.9 | 3225.1 | -9.0 | -350.3 | 21.0 | 0.0 | 0.0 | 28590 | 31/12/92 |
| 110 | 122 | United Newspapers | 1318.3 | 473 | 132 | 831.5 | 819.2 | 1.5 | 109.9 | 48.8 | 125.2 | 29.2 | 11862 | 31/12/92 |
| 111 | 110 | Harrisons & Crosfield | 1315.3 | 512 | 69 | 1933.0 | 1825.0 | 5.9 | 85.0 | 71.2 | 19.4 | 14.3 | 32177 | 31/12/92 |
| 112 | 85 | De La Rue | 1313.6 | 472 | 165 | 559.5 | 415.4 | 34.7 | 104.7 | 77.9 | 34.4 | 29.2 | 8599 | 31/03/93 |
| 113 | 92 | English China Clays | 1249.0 | 631 | 120 | 966.3 | 971.8 | -0.6 | 100.2 | 79.0 | 26.8 | 11.6 | 7790 | 31/12/92 |
| 114 | 119 | Laporte | 1242.7 | 622 | 174 | 521.8 | 424.2 | 23.0 | 96.6 | 96.4 | -10.2 | 21.0 | 5360 | 31/12/92 |
| 115 | 118 | London Electricity | 1239.7 | 221 | 94 | 1367.0 | 1347.0 | 1.5 | 146.0 | 143.0 | 2.1 | 22.2 | 6258 | 31/03/93 |
| 116 | 103 | BET | 1209.8 | 171 | 59 | 2176.2 | 2344.8 | -7.2 | -9.8 | -448.4 | 0.0 | 3.1 | 101408 | 27/03/93 |
| 117 | 104 | GKN | 1209.1 | 571 | 67 | 1993.5 | 1925.4 | 3.5 | 121.8 | 68.7 | 77.3 | 15.7 | 29495 | 31/12/92 |
| 118 | 120 | Midlands Electricity | 1208.9 | 221 | 84 | 1538.9 | 1454.1 | 5.7 | 167.1 | 142.1 | 17.6 | 23.1 | 7276 | 31/03/93 |
| 119 | 113 | Yorkshire Electricity | 1208.7 | 221 | 96 | 1326.0 | 1342.6 | -1.3 | 156.3 | 141.9 | 10.1 | 27.2 | 6850 | 31/03/93 |
| 120 | 157 | Mercury Asset Management | 1198.5 | 122 | 0 | N/R | N/R | 0.0 | 82.3 | 65.1 | 26.4 | 51.3 | 624 | 31/03/93 |
| 121 | 88 | Smith (W.H.) Group | 1197.1 | 495 | 58 | 2311.8 | 2127.5 | 8.7 | 113.8 | 108.1 | 5.3 | 23.6 | 30088 | 29/05/93 |
| 122 | 125 | East Midlands Electricity | 1173.7 | 221 | 82 | 1570.0 | 1543.8 | 1.7 | 155.1 | 150.0 | 3.4 | 23.6 | 8684 | 31/03/93 |
| 123 | 138 | Pilkington | 1164.7 | 611 | 52 | 2572.5 | 2611.0 | -1.5 | 40.7 | 95.7 | -57.5 | 5.9 | 34400 | 31/03/93 |
| 124 | 83 | Fisons | 1147.2 | 433 | 100 | 1284.2 | 1239.9 | 3.6 | 123.6 | 162.6 | -24.0 | 27.8 | 14477 | 31/12/92 |
| 125 | 208 | British Land | 1140.1 | 161 | 0 | N/R | N/R | 0.0 | 34.6 | 33.3 | 3.9 | 8.0 | 210 | 31/03/93 |

■ **Footnotes to companies listed on this page**

2 Shell Transport & Trading, see Royal Dutch/Shell entry in European table.

7 British Gas, figures prepared according to current cost accounting. 1991 figures are pro forma for 12 months to 31/12/91.

15 Unilever, see entry for Unilever plc/NV in European table.

17 National Westminster Bank, employees = UK average.

18 Barclays,employees = UK average.

22 Zeneca, demerger from Imperial Chemical Industries. Stock Exchange listing 6/93.

36 Reed International, change of year end to December. Last year's figures are pro forma for nine months to 12/91.

40 Cadbury Schweppes, this year's figures are for 53 weeks to 2/3/93

44 TSB Group,employees = UK average.

46 Commercial Union, employees = UK average

47 General Accident, employees = UK average.

61 Legal & General Group, employees = UK average.

64 Standard Chartered, employees = UK average

66 Associated British Foods, last year's figures for 76 weeks to 14/9/91.

73 Royal Insurance Holdings, employees = UK average.

82 United Biscuits (Holdings), this year's figures are for 53 weeks to 2/1/93.

86 Warburg S.G. Group, employees = UK average.

88 Asda Group, last year's figures for 53 weeks to 2/5/92.

90 Schroders, profit = profit after tax and transfer to inner reserves. Employees = UK average.



هكذا استلم الأصل

■ UK500 CORPORATE HEADQUARTERS

# West End still the favourite location

London still accounts for roughly 40 per cent of all UK500 company headquarters *Trevor Humphries*

**Rhys David** scrutinises the addresses of corporate Britain and discovers that London remains the business capital, with Birmingham the runner-up and Reading edging out Edinburgh and Leeds for third place

Business bosses may complain about the congestion on the roads and troubles on the trains but the West End of London is still the place most favoured by British companies for their headquarters. (See map on page 24.)

The area which takes in Oxford Street and Mayfair and extends through Kensington towards London Airport, boasts 57 corporate headquarters, five more than the City of London with 52, and 15 ahead of south-west London, the area incorporating Knightsbridge and Chelsea, and extending south into Wimbledon.

London's dominant position overall as the business capital of the UK emerges from an analysis of the addresses of the top 500 (to be published next month in an expanded reprint of the FT500).

In spite of the relocations that have taken place over recent years to towns around the M25 orbital motorway, and in some cases to other parts of the country, the London postal districts combined still account for 198 or roughly 40 per cent of all UK500 company headquarters.

There are, nevertheless, some surprises in the location list, which uses UK post code areas – in effect Britain's city regions – as its geographical basis. Birmingham, with 21 headquarters justifies its claim to be Britain's second business centre. Somewhat more unexpectedly, Reading, a beneficiary of some out-of-London moves,is the next most popular provincial location, and home to 13 companies.

Edinburgh and Leeds with 12 each – a score also equalled by Slough – are ahead of their usually higher-profile rivals, Glasgow and Manchester, and unfashionable Bradford also scores well with nine company headquarters.

A number of big cities such as Bristol, Cardiff, Coventry and Sheffield fare relatively badly with only two apiece, while Aberdeen, in spite of its position as Britain's oil capital, boasts only one, as also do Portsmouth, Southampton, and Croydon.

Former new towns Hemel Hempstead, Milton Keynes, and Peterborough, (six each), all figure more strongly, with Liverpool and Derby on the same total, ahead of Huddersfield, Nottingham, Warrington and Redhill on five.

Regionally, Yorkshire with the headquarters of 40 quoted companies, the West Midlands (38), the Thames Valley (35) and the North West (34) are Britain's most significant regions outside London, followed by Scotland (33).

Outside these areas company headquarters are thinly spread, with Wales, the West of England, East Anglia, Northern Ireland and the North East, home to only a few companies with strong local roots.

In the European list (see chart on page 35) the UK, with Europe's big stock market, is dominant with 187 out of the total of 500 top companies or roughly 37 per cent of the total. The UK share of the list's total market capitalisation is similar at 37 per cent – $828.5bn out of $2,313.8bn.

France has the second highest number of companies in the list (77) but at $310.2bn, their market capitalisation lags slightly behind that of Germany whose 67 companies were valued at $315.2bn. Netherlands has 17 companies with a market capitalisation of $187.5bn.

Italy, in spite of the size of its economy, manages only 25 companies in the list, valued at $84.7bn, slightly ahead of much smaller Sweden, which has 22 companies valued at $83.4bn. Spain has only two fewer companies in the list than Italy but their combined capitalisation, $85.2bn, is marginally greater. By contrast, its Iberian neighbour at the bottom of the list, Portugal, has only one representative, three fewer than Ireland, Luxembourg and Austria.

■ **A-Z list of the UK top 500**

| A | RANK |
|---|---|
| AAH Holdings | 214 |
| Abbey National | 27 |
| ACT Group | 255 |
| Adwest Group | 403 |
| Airtours | 238 |
| Albert Fisher Group | 219 |
| Allied Colloids Group | 183 |
| Allied Textile Companies | 402 |
| Allied-Lyons | 30 |
| Amec | 318 |
| Amersham International | 212 |
| Amstrad | 300 |
| Anglia Television Group | 352 |
| Anglian Group | 277 |
| Anglian Water | 94 |
| APV | 282 |
| Argos | 137 |
| Argyll Group | 45 |
| Arjo Wiggins Appleton | 84 |
| Asda Group | 88 |
| Ashley (Laura) Holdings | 340 |
| Asprey | 302 |
| Associated British Foods | 65 |
| Associated British Ports | 159 |
| Astec (BSR) | 311 |
| ASW Holdings | 410 |
| Attwoods | 241 |
| Automated Security (Holdings) | 385 |
| Avon Rubber | 414 |

| B | RANK |
|---|---|
| B.B.G. International | 352 |
| BAA | 33 |
| Babcock International Group | 367 |
| Baird (William) | 259 |
| Bank of Scotland | 78 |
| Barclays | 16 |
| Bardon | 312 |
| Barratt Developments | 251 |
| Bass | 37 |
| BAT Industries | 6 |
| BBA Group | 178 |
| Bellway | 331 |
| Bemrose Corporation | 482 |
| Berisford International | 423 |
| Berkeley Group | 249 |
| Bespak | 420 |
| BET | 116 |
| Betterware | 335 |
| BICC | 97 |
| Bilton | 284 |
| Black (Peter) Holdings | 429 |
| Blenheim Group | 278 |
| Blick | 454 |
| Blue Circle Industries | 74 |
| BOC Group | 62 |
| Boddington Group | 258 |
| Body Shop International | 252 |
| Bodycote International | 384 |
| Booker | 160 |
| Boots Company | 32 |
| Bowater Industries | 69 |
| Bowthorpe Holdings | 198 |
| BPB Industries | 107 |
| Bradford Property Trust | 270 |
| Brake Bros | 310 |
| Brammer | 430 |
| Britannic Assurance | 152 |
| British Aerospace | 91 |
| British Airways | 42 |
| British Bio-technology Group | 409 |
| British Gas | 7 |
| British Land | 126 |
| British Petroleum | 5 |
| British Polythene Industries | 404 |
| British Steel | 59 |
| British Vita | 207 |
| Brixton Estate | 206 |
| Brown (David) Group | 445 |
| Brown (N.) Group | 281 |
| Bryant Group | 232 |
| BSS Group | 442 |
| BT | 1 |
| BTP | 298 |
| BTR | 8 |
| Bullough | 394 |
| Bulmer H.P. Holdings | 317 |
| Bunzl | 185 |
| Burford Holdings | 400 |
| Burmah Castrol | 103 |
| Burton Group | 135 |

| C | RANK |
|---|---|
| Cable & Wireless | 12 |
| Cadbury Schweppes | 40 |
| Caledonia Investments | 216 |
| Calor Group | 218 |
| Cape | 411 |
| Capital Radio | 392 |
| Caradon Group | 104 |
| Carclo Engineering | 397 |
| Carlton Communications | 101 |
| Carpetright | 393 |
| Cater Allen Holdings | 408 |
| Cathay International Holdings | 401 |
| Cattle's Holdings | 389 |
| Central Independent TV | 197 |
| Charter | 211 |
| Chesterfield Properties | 493 |
| Christies International | 263 |
| Chubb Security | 143 |
| City Centre Restaurants | 376 |
| Claremont Garments (Holdings) | 417 |
| Close Brothers Group | 358 |
| Clyde Petroleum | 341 |
| Coats Viyella | 89 |
| Commercial Union | 46 |
| Compass Group | 205 |
| Concentric | 444 |
| Control Techniques | 424 |
| Cookson Group | 130 |
| Countryside Properties | 471 |
| Courtaulds | 72 |
| Courtaulds Textiles | 196 |
| Courts | 378 |
| Cowie (T.) | 243 |
| Cray Electronics | 263 |
| Croda International | 223 |

| D | RANK |
|---|---|
| Daejan Holdings | 339 |
| Daily Mail and General Trust | 144 |
| Dalgety | 127 |
| Danka Business Systems | 231 |
| David Lloyd | 476 |
| Davis Service Group | 319 |
| Dawson International | 279 |
| Dawsongroup | 422 |
| De La Rue | 112 |
| Delta | 164 |
| Devro International | 272 |
| Dewhirst Group | 473 |
| Diploma | 289 |
| Dixons Group | 136 |
| Dobson Park Industries | 486 |
| Domestic & General | 453 |
| Domino Printing Sciences | 443 |
| Dorling Kindersley | 363 |
| Dunhill Holdings | 186 |

| E | RANK |
|---|---|
| East Midlands Electricity | 122 |
| Eastern Electricity | 98 |
| Edinburgh Fund Managers | 500 |
| EIS Group | 362 |
| Electrocomponents | 149 |
| Ellis & Everard | 371 |
| Emap | 187 |
| English China Clays | 113 |
| Enterprise Oil | 85 |
| Etam | 372 |
| Eurotherm | 296 |
| Eurotunnel | 106 |
| Evans of Leeds | 407 |

| F | RANK |
|---|---|
| Fairey Group | 303 |
| Farnell Electronics | 191 |
| Ferguson International Hldgs | 456 |
| Field Group | 370 |
| Fine Art Developments | 215 |
| First Leisure Corporation | 220 |
| First National Finance | 399 |
| Fisons | 124 |
| FKI | 177 |
| Forte | 76 |
| Forth Ports | 464 |
| FR Group | 346 |
| Frogmore Estates | 326 |

| G | RANK |
|---|---|
| Geest | 294 |
| General Accident | 47 |
| General Electric Company | 13 |
| Gerrard & National | 345 |
| Gestetner Holdings | 289 |
| GKN | 117 |
| Glaxo Holdings | 3 |
| Gleeson (M.J.) | 497 |
| Glynwed International | 184 |
| Grampian Holdings | 494 |
| Granada Group | 68 |
| Grand Metropolitan | 14 |
| Greenby | 447 |
| Great Portland Estates | 180 |
| Great Universal Stores | 26 |
| Greenalls Group | 188 |
| Greene King | 313 |
| Guardian Royal Exchange | 81 |
| Guinness | 18 |
| Guinness Peat Group | 492 |

| H | RANK |
|---|---|
| Halma | 229 |
| Halstead (James) Group | 481 |
| Hambro Countrywide | 299 |
| Hambro Insurance | 487 |
| Hambros | 181 |
| Hammerson Property | 158 |
| Hanson | 9 |
| Hardy Oil & Gas | 386 |
| Harrisons & Crosfield | 111 |
| Hays | 138 |
| Hazlewood Foods | 226 |
| Heath C.E. | 304 |
| Henderson Administration Grp | 330 |
| Hepworth | 163 |
| Hewden Stuart | 301 |
| Heywood Williams Group | 309 |
| Hickson International | 262 |
| Highland Distilleries | 225 |
| Hillsdown Holdings | 128 |
| Hodder Headline | 433 |
| Hogg Group | 467 |
| Hogg Robinson | 390 |
| Holliday Chemical | 355 |
| Howden Group | 328 |
| HSBC Holdings | 4 |
| Hunting | 324 |
| Huntingdon International | 415 |
| Huntleigh Technology | 428 |

| I | RANK |
|---|---|
| Ibstock Johnsen | 361 |
| Iceland Frozen Foods Hldgs | 200 |
| IMI | 147 |
| Imperial Chemical Industries | 28 |
| Inchcape | 55 |
| Inveresk | 491 |
| Invergordon Distillers | 248 |
| Invesco MIM | 217 |

| J | RANK |
|---|---|
| JIB Group | 354 |
| Johnson Group Cleaners | 380 |
| Johnson Matthey | 155 |
| Johnston Press | 366 |

| K | RANK |
|---|---|
| Kalon Group | 333 |
| Kenwood Appliances | 430 |
| Kingfisher | 34 |
| Kleinwort Benson Group | 188 |
| Kwik Save Group | 140 |
| Kwik-Fit Holdings | 285 |

| L | RANK |
|---|---|
| Ladbroke Group | 67 |
| Laing (John) | 292 |
| Laird Group | 233 |
| Lamont Holdings | 462 |
| Land Securities | 41 |
| Laporte | 114 |
| Lasmo | 129 |
| Leeds Group | 488 |
| Legal & General Group | 61 |
| Leigh Interests | 405 |
| Lep Group | 439 |
| Lex Service | 238 |
| Life Sciences International | 325 |
| Lloyd Thompson Group | 357 |
| Lloyds Abbey Life | 51 |
| Lloyds Bank | 20 |
| Lloyds Chemists | 268 |
| Logica | 391 |
| London and Manchester Group | 221 |
| London Electricity | 115 |
| London Forfaiting | 327 |
| London International Group | 295 |
| London Merchant Securities | 316 |
| [illegible] | [illegible] |

| M–P | RANK |
|---|---|
| [illegible] | [illegible] |
| Powell Duffryn | 237 |
| Powergen | 43 |
| Powerscreen International | 257 |
| Premier Consolidated Oilfields | 451 |
| Property Security Invest. Tst | 353 |
| Proteus International | 431 |
| [illegible] | [illegible] |

| R–Z | RANK |
|---|---|
| [illegible] | [illegible] |
| Takare | 337 |
| Tarmac | 109 |
| Tate & Lyle | 108 |
| Taunton Cider | 329 |
| Taylor Woodrow | 210 |
| Telemetrix | 384 |
| [illegible] | [illegible] |





■ **European largest increases in profit**

| Rank | Company | Cntry. | Sr | FT500 rank | % Chge |
|---|---|---|---|---|---|
| 1 | Norsk Hydro | Nor | 214 | 104 | 7715.8 |
| 2 | National Westminster Bank | UK | 112. | 30 | 268.2 |
| 3 | Racal Electronics | UK | 551 | 480 | 219.6 |
| 4 | Next | UK | 491 | 445 | 216.3 |
| 5 | Legal & General Group | UK | 141 | 156 | 199.2 |
| 6 | Badenwerk | Ger | 221 | 269 | 189.1 |
| 7 | Forte | UK | 464 | 194 | 178.0 |
| 8 | Guardian Royal Exchange | UK | 151 | 202 | 167.9 |
| 9 | Granada Group | UK | 461 | 177 | 128.8 |
| 10 | United Newspapers | UK | 473 | 274 | 125.2 |
| 11 | Pechiney International | Fra | 672 | 187 | 124.8 |
| 12 | Lucas Industries | UK | 571 | 336 | 123.6 |
| 13 | Prudential Corporation | UK | 141 | 66 | 123.1 |
| 14 | Smith & Nephew | UK | 431 | 245 | 119.9 |
| 15 | Bunzl | UK | 652 | 489 | 113.7 |
| 16 | Audiofina | Lux | 474 | 416 | 111.4 |
| 17 | Grand Metropolitan | UK | 421 | 28 | 106.5 |
| 18 | Electrocomponents | UK | 551 | 380 | 106.0 |
| 19 | Springer (Axel) | Ger | 472 | 426 | 99.6 |
| 20 | MFI Furniture Group | UK | 406 | 409 | 98.7 |
| 21 | Thorn Emi | UK | 461 | 87 | 96.0 |
| 22 | Holzmann (Philipp) | Ger | 613 | 310 | 94.4 |
| 23 | HSBC Holdings | UK | 112 | 8 | 94.3 |
| 24 | *Security Services* | UK | *408* | *454* | *81.4* |
| 25 | Sandoz | Swi | 433 | 21 | 77.7 |

■ **European largest falls in profit**

| Rank | Company | Cntry. | Sr | FT500 rank | % Chge |
|---|---|---|---|---|---|
| 1 | Bergesen d.y. Group | Nor | 303 | 456 | -97.9 |
| 2 | Assitalia | Ita | 151 | 499 | -95.8 |
| 3 | British Petroleum | UK | 212 | 9 | -90.7 |
| 4 | Cap Gemini Sogeti | Fra | 551 | 351 | -86.8 |
| 5 | Suez (Compagnie Financiere de) | Fra | 112 | 62 | -85.9 |
| 6 | Ladbroke Group | UK | 461 | 175 | -80.9 |
| 7 | Zeneca | UK | 433 | 52 | -80.8 |
| 8 | GAN | Fra | 151 | 141 | -73.9 |
| 9 | Petrofina | Bel | 212 | 91 | -69.4 |
| 10 | DSM | Net | 622 | 395 | -69.2 |
| 11 | KNP BT | Net | 652 | 365 | -68.8 |
| 12 | Mannesmann | Ger | 566 | 89 | -68.2 |
| 13 | Volkswagen | Ger | 401 | 88 | -66.3 |
| 14 | RAS | Ita | 151 | 163 | -65.0 |
| 15 | Banco Exterior | Spa | 112 | 171 | -64.9 |
| 16 | Royal Bank of Scotland Group | UK | 112 | 144 | -63.8 |
| 17 | Svenska Cellulosa | Swe | 651 | 188 | -63.2 |
| 18 | Mapfre (Corp) | Spa | 151 | 438 | -61.7 |
| 19 | Lonrho | UK | 171 | 374 | -61.0 |
| 20 | Baltica Forsikring | Den | 151 | 477 | -60.8 |
| 21 | Pilkington | UK | 611 | 308 | -57.5 |
| 22 | British Airways | UK | 301 | 109 | -57.4 |
| 23 | U.A.P. | Fra | 151 | 58 | -53.6 |
| 24 | *Banesto Group* | *Spa* | *112* | *184* | *-51.9* |
| 25 | Navigation Mixte | Fra | 171 | 218 | -51.0 |

■ **European largest swings to profit***

| Rank | Company | Cntry. | Sector | FT500 rank | $m chge |
|---|---|---|---|---|---|
| 1 | Nobel Industries | Swe | 622 | 463 | 972.9 |
| 2 | Asda Group | UK | 493 | 224 | 773.1 |
| 3 | BET | UK | 171 | 291 | 669.1 |
| 4 | Mirror Group Newspapers | UK | 472 | 469 | 547.6 |
| 5 | Sun Alliance Group | UK | 151 | 123 | 513.4 |
| 6 | Matra Hachette | Fra | 171 | 235 | 410.4 |
| 7 | Royal Insurance Holdings | UK | 151 | 189 | 387.4 |
| 8 | Michelin | Fra | 574 | 162 | 379.1 |
| 9 | Pirelli Spa | Ita | 574 | 348 | 365.3 |
| 10 | General Accident | UK | 151 | 119 | 217.0 |
| 11 | *Continental* | *Ger* | *574* | *414* | *171.6* |
| 12 | Commercial Union | UK | 151 | 117 | 152.5 |
| 13 | Repola | Fin | 591 | 255 | 152.0 |
| 14 | Enso-Gutzeit | Fin | 652 | 387 | 151.2 |
| 15 | TSB Group | UK | 112 | 112 | 137.3 |
| 16 | Cookson Group | UK | 621 | 326 | 122.7 |
| 17 | Bekaert | Bel | 633 | 432 | 115.9 |
| 18 | Metsa-Serla | Fin | 652 | 471 | 112.2 |
| 19 | Burton Group | UK | 491 | 344 | 34.7 |
| 20 | Trafalgar House | UK | 171 | 319 | 12.5 |

* *These figures represent a change from loss to profit*

■ **European largest swings to loss***

| Rank | Company | Cntry. | Sector | FT500 rank | $m chge |
|---|---|---|---|---|---|
| 1 | Imperial Chemical Industries | UK | 622 | 71 | -1871.5 |
| 2 | British Aerospace | UK | 523 | 231 | -1661.1 |
| 3 | Barclays | UK | 112 | 31 | -1182.1 |
| 4 | Montedison | Ita | 622 | 468 | -1177.3 |
| 5 | Philips | Net | 541 | 86 | -1080.9 |
| 6 | Skandinaviska Enskilda Banken | Swe | 112 | 199 | -1078.9 |
| 7 | Trygg-Hansa SPP Holding | Swe | 151 | 381 | -698.8 |
| 8 | Skanska | Swe | 613 | 252 | -597.9 |
| 9 | Tarmac | UK | 613 | 272 | -586.3 |
| 10 | Volvo | Swe | 401 | 136 | -552.6 |
| 11 | *Unidanmark* | *Den* | *112* | *405* | *-451.7* |
| 12 | Unitas Bank | Fin | 112 | 440 | -445.5 |
| 13 | Den Danske Bank | Den | 112 | 186 | -429.3 |
| 14 | Krupp, Fried AG H-K | Ger | 633 | 340 | -420.9 |
| 15 | Lasmo | UK | 213 | 325 | -408.8 |
| 16 | KLM | Net | 301 | 472 | -363.2 |
| 17 | Rolls-Royce | UK | 521 | 208 | -358.5 |
| 18 | Svenska Handelsbanken | Swe | 112 | 223 | -355.9 |
| 19 | Kansallis-Osake-Pankki | Fin | 112 | 500 | -354.3 |
| 20 | Skandia Forsakring | Swe | 152 | 372 | -343.0 |

* *These figures represent a change from profit to loss or from a loss to a further loss*

■ **European Top 500 Largest rises in rank**

| Change | 1993 Rank | 1992 Rank | Company | Country | Sector |
|---|---|---|---|---|---|
| 242 | 223 | 465 | Svenska Handelsbanken | Swe | 112 |
| *233* | *231* | *464* | *British Aerospace* | *UK* | *523* |
| 167 | 272 | 439 | Tarmac | UK | 613 |
| 151 | 344 | 495 | Burton Group | UK | 491 |
| 139 | 252 | 391 | Skanska | Swe | 613 |
| 132 | 255 | 387 | Repola | Fin | 591 |
| 128 | 312 | 440 | Fomento de Construcciones | Spa | 611 |
| 125 | 296 | 421 | Mercury Asset Management | UK | 122 |
| 119 | 163 | 282 | RAS | Ita | 151 |
| 114 | 189 | 303 | Royal Insurance Holdings | UK | 151 |
| 113 | 224 | 337 | Asda Group | UK | 493 |
| 108 | 309 | 417 | SAI | Ita | 151 |
| 106 | 43 | 149 | SIP | Ita | 223 |
| 106 | 193 | 299 | MEPC | UK | 161 |
| 103 | 374 | 478 | Lonrho | UK | 171 |
| 101 | 228 | 329 | Schroders | UK | 121 |
| 98 | 214 | 312 | Wolseley | UK | 611 |
| 97 | 190 | 287 | Blue Circle Industries | UK | 611 |
| 94 | 165 | 259 | Standard Chartered | UK | 112 |
| 88 | 360 | 449 | Transatlantic Holdings | UK | 122 |
| 82 | 147 | 229 | British Steel | UK | 633 |
| 81 | 237 | 318 | RMC Group | UK | 611 |
| 81 | 321 | 403 | Hillsdown Holdings | UK | 451 |
| 73 | 65 | 138 | STET | Ita | 171 |
| 73 | 179 | 252 | Minorco | Lux | 641 |

■ **European Top 500 Largest falls in rank**

| Change | 1993 Rank | 1992 Rank | Company | Country | Sector |
|---|---|---|---|---|---|
| -235 | 468 | 234 | Montedison | Ita | 622 |
| *-192* | *480* | *289* | *Racal Electronics* | *UK* | *551* |
| -178 | 395 | 218 | DSM | Net | 622 |
| -152 | 327 | 176 | Delhaize | Bel | 492 |
| -145 | 446 | 302 | Morrison (Wm) Supermarkets | UK | 493 |
| -144 | 490 | 347 | Dunhill Holdings | UK | 406 |
| -143 | 356 | 214 | Compania Espanola de Pet. | Spa | 214 |
| -138 | 437 | 300 | GIB Group | Bel | 491 |
| -134 | 479 | 346 | Bongrain | Fra | 451 |
| -123 | 307 | 184 | Euro Disney | Fra | 461 |
| -122 | 418 | 297 | Pirelli Internationale | Swi | 481 |
| -117 | 335 | 219 | Deutsche SB-Kauf | Ger | 493 |
| -115 | 376 | 262 | Chargeurs | Fra | 171 |
| -107 | 426 | 320 | Springer (Axel) | Ger | 472 |
| -107 | 429 | 323 | SME | Ita | 451 |
| -106 | 300 | 194 | Hafslund Nycomed | Nor | 591 |
| -105 | 325 | 221 | Lasmo | UK | 213 |
| -104 | 462 | 359 | HEW | Ger | 221 |
| -99 | 449 | 351 | Fecsa | Spa | 221 |
| -98 | 464 | 367 | Tabacalera | Spa | 425 |
| -96 | 311 | 215 | Fisons | UK | 433 |
| *-96* | *393* | *298* | *Johnson Matthey* | *UK* | *641* |
| -90 | 417 | 328 | Gehe | Ger | 433 |
| -90 | 431 | 342 | Cobepa | Bel | 112 |
| -87 | 352 | 266 | Kwik Save Group | UK | 493 |

■ **European Top 500 Sector Codes**

112 Commercial Banks and other Banks
120 Financial Institutions & Services (Composite)
121 Financial Institutions
122 Financial Services
131 Investment Companies
140 Insurance - Life & Agents Brokers (Composite)
141 Insurance - Life
142 Insurance - Agents & Brokers
150 Insurance - Multiline/Property & Casualty (Comp)
151 Insurance - Multiline
152 Insurance - Property & Casualty
161 Real Estate
171 Diversified Holding Companies
181 Investment Trusts
201 Non Oil Energy Sources
202 Energy Equipment & Services
203 Oil (Composite)
205 Other Energy (Composite)
212 Oil - Internationals
213 Oil - Crude Producers
214 Petroleum Products including Refineries
220 Electric and Gas Utilities (Composite)
221 "Electric Utilities, Water Works and Supply"
222 Natural Gas Utilities
223 Telephone Companies
301 Air Transport Carriers
302 Freight Forwarders
303 Sea Transport
304 Rail & Road Transport
306 Storage, W'housing & supporting Transport svs"
310 Transport & Storage (Composite)
401 Automobiles
402 Household Durables & Appliances
406 Diversified Consumer Goods/Services
410 Textile and Wearing Apparel(Composite)
411 Apparel
412 Textile Products
413 Footwear
420 Beverage industries/Tobacco m'facturers (Comp)
421 Beverages - Brewers
422 Beverages - Distillers
424 Beverages - Soft drinks
425 Tobacco manufacturers
430 Health & Personal Care (Composite)
431 Health Care
432 Cosmetics
433 Drugs
434 Hospital Supply/Management
440 Agriculture & Fishing
450 Foods & Grocery Products (Composite)
451 Food Processors
452 Food – Sugar/Confectionery
453 Soaps
454 Agriculture & Fishing
460 Entertainment/Leisure/Toys (Composite)
461 Entertainment & Leisure Time
462 Toys
463 Photography
464 Restaurants and Hotels
470 Media (Composite)
471 Printing
472 Publishing
473 Publishing - Newspapers
474 Broadcasting Media
475 Advertising
480 Business Services & Computers S'ware/Serv (Comp)
481 Business Services
482 Computer Software & Services
490 Retail Trade (Composite)
491 Retail - Department store
492 Retail - General Merchandise
493 Retail - Grocery Chains
494 Retail - Drug Chains
495 Retail - Miscellaneous/Specialty
510 Wholesale Trade (Composite)
511 Wholesale - Durables
512 Wholesale - Nondurables
520 Aerospace/Defence Composite
521 Aerospace/Defence
522 Defence Electronics
523 Aircraft Manufacturers
530 Computers/Communications & Office Eqpt (Comp)
531 Computers
533 Communications Equipment
534 Office Equipment
541 Electrical Equipment
550 Electronics & Instrumentation (Composite)
551 Electronics
552 Instrumentation/Control Equipment
560 Machinery & Engineering Services (Composite)
561 Engineering Services
562 Machine Tools
563 Machinery
564 Machinery - Construction
565 Machinery - Farm equipment
566 Machinery - Industrial/Specialty
570 Auto Components (Composite)
571 Auto Parts - Original Equipment
572 Auto Parts - After Market
573 Auto Trucks & Parts
574 Tyre and Rubber Goods
591 Diversified Industrial (Manufacturing)
592 Heavy Engineering and Shipbuilding
610 Construction & Building Materials (Composite)
611 Building Materials
612 Ceramics
613 Construction
614 Homebuilding
620 Chemicals (Composite)
621 "Chemicals including fibres, paints, industrial gas"
622 Chemicals (Diversified)
624 Fertilisers
630 Mining (Composite)
631 Mining & Extractive Industries
632 Metal Ore Mining
633 Iron and Steel
634 Non-ferrous Metals
641 Precious Metals & Minerals
650 Forestry and Paper Products (Composite)
651 Forestry Products
652 Paper and Paper Products
670 Fabricated Metal Products (Composite)
671 Fabricated Metal Products
672 Containers

The cushion may



## The FT European Top 200 by turnover 1993*

| Company | Cntry | Sec. | Turnover US $m | Year end | Company | Cntry | Sec. | Turnover US $m | Year end |
|---|---|---|---|---|---|---|---|---|---|
| 1 Royal Dutch Shell | Nuk | 212 | 83932.3 | 31/12/92 | 101 Delhaize | Bel | 492 | 9384.3 | 31/12/92 |
| 2 Daimler-Benz | Ger | 401 | 60817.7 | 31/12/92 | 102 Telefonica | Spa | 223 | 9260.3 | 31/12/92 |
| 3 IRI | Ita | 171 | 53093.5 | 31/12/92 | 103 Akzo | Net | 622 | 9259.3 | 31/12/92 |
| 4 Volkswagen | Ger | 401 | 52704.9 | 31/12/91 | 104 Gasunie | Net | 222 | 9240.2 | 31/12/92 |
| 5 British Petroleum | UK | 212 | 50716.9 | 31/12/92 | 105 Aerospatiale | Fra | 523 | 9218.8 | 31/12/92 |
| 6 Siemens | Ger | 541 | 48450.4 | 30/09/92 | 106 Roche Holding | Swi | 622 | 9146.3 | 31/12/92 |
| 7 Veba | Ger | 171 | 40371.9 | 31/12/92 | 107 Marks and Spencer | UK | 491 | 9077.2 | 31/03/93 |
| 8 Nestle | Swi | 451 | 38483.3 | 31/12/92 | 108 PTT | Swi | 223 | 8987.4 | 31/12/92 |
| 9 Unilever plc/NV | Nuk | 451 | 37675.4 | 31/12/92 | 109 Asko Deutsche Kaufhaus | Ger | 491 | 8909.1 | 30/09/92 |
| 10 Fiat | Ita | 401 | 37672.8 | 31/12/92 | 110 Ruhrgas | Ger | 222 | 8901.8 | 31/12/92 |
| 11 Elf Aquitaine | Fra | 212 | 35382.6 | 31/12/92 | 111 Eridania Beghin-Say | Fra | 451 | 8775.2 | 31/12/92 |
| 12 RWE | Ger | 221 | 32768.0 | 30/06/93 | 112 Henkel | Ger | 622 | 8702.2 | 31/12/92 |
| 13 Deutsche Bundespost Telekom | Ger | 406 | 32399.4 | 31/12/92 | 113 Gaz de France | Fra | 222 | 8644.6 | 31/12/92 |
| 14 Philips Electronics | Net | 541 | 32161.2 | 31/12/92 | 114 General Electric Company | UK | 541 | 8560.1 | 31/03/93 |
| 15 ENI | Ita | 622 | 31728.6 | 31/12/92 | 115 Austrian Industries | Aus | 171 | 8542.8 | 31/12/92 |
| 16 Renault | Fra | 401 | 31657.8 | 31/12/92 | 116 IBM Deutschland | Ger | 531 | 8508.2 | 31/12/92 |
| 17 Electricite de France | Fra | 221 | 31307.4 | 31/12/92 | 117 British Airways | UK | 301 | 8489.9 | 31/03/93 |
| 18 Tengelmann | Ger | 491 | 30243.8 | 31/12/92 | 118 P & O Steam Navigation | UK | 303 | 8432.6 | 31/12/92 |
| 19 ABB Asea Brown Boveri | Swe/I | 541 | 29615.0 | 31/12/92 | 119 Ford Motor Company UK | UK | 401 | 8210.8 | 31/12/92 |
| 20 Alcatel Alsthom | Fra | 533 | 28522.5 | 31/12/92 | 120 Norsk Hydro | Nor | 214 | 8208.3 | 31/12/92 |
| 21 Hoechst | Ger | 622 | 28307.8 | 31/12/92 | 121 Allied-Lyons | UK | 421 | 8032.3 | 06/03/93 |
| 22 BASF | Ger | 622 | 27476.2 | 31/12/92 | 122 Smithkline Beecham | UK | 433 | 7960.6 | 31/12/92 |
| 23 Peugeot | Fra | 401 | 27420.6 | 31/12/92 | 123 Argyll Group | UK | 493 | 7926.0 | 03/04/93 |
| 24 Rewe | Ger | 491 | 26419.4 | 31/12/92 | 124 Degussa | Ger | 622 | 7908.8 | 30/09/92 |
| 25 Bayer | Ger | 622 | 25422.7 | 31/12/92 | 125 Post Office | UK | 406 | 7869.1 | 29/03/92 |
| 26 Generale des Eaux | Fra | 221 | 25295.5 | 31/12/92 | 126 Maus Freres | Swi | 171 | 7767.3 | 31/12/92 |
| 27 BAT Industries | UK | 171 | 24414.3 | 31/12/92 | 127 Inchcape | UK | 171 | 7682.6 | 31/12/92 |
| 28 Total | Fra | 212 | 24099.9 | 31/12/92 | 128 Coop Schweiz | Swi | 493 | 7525.8 | 31/12/92 |
| 29 Marc-Rich | Swi | 121 | 24007.9 | 31/12/92 | 129 Glaxo Holdings | UK | 433 | 7519.8 | 30/06/93 |
| 30 Thyssen | Ger | 633 | 22065.8 | 31/12/92 | 130 KF Group | Swe | 493 | 7352.0 | 31/12/02 |
| 31 France Telecom | Fra | 223 | 21628.7 | 31/12/92 | 131 Solvay | Bel | 622 | 7310.3 | 31/12/92 |
| 32 Bosch,Robert | Ger | 551 | 21248.9 | 31/12/92 | 132 OeMV | Aus | 212 | 7270.1 | 31/12/92 |
| 33 Carrefour | Fra | 493 | 20665.3 | 31/12/92 | 133 Tractebel | Bel | 221 | 7253.5 | 31/12/92 |
| 34 BT | UK | 223 | 20198.3 | 31/03/93 | 134 Gallaher | UK | 171 | 7135.4 | 31/12/91 |
| 35 Aldi Einkauf | Ger | 491 | 20154.3 | 31/12/02 | 135 Esso AG | Ger | 212 | 7131.0 | 31/12/92 |
| 36 Leclerc | Fra | 493 | 20076.2 | 31/12/92 | 136 Asda Group | UK | 493 | 7037.5 | 03/05/93 |
| 37 Intermarche | Fra | 493 | 20040.9 | 31/12/92 | 137 CEA Industries | Fra | 221 | 6912.0 | 31/12/92 |
| 38 Bayerische Motoren Werke | Ger | 401 | 19279.8 | 31/12/92 | 138 Dalgety | UK | 451 | 6818.6 | 30/06/93 |
| 39 Imperial Chemical Industries | UK | 622 | 18396.9 | 31/12/91 | 139 Thorn Emi | UK | 461 | 6791.2 | 31/03/93 |
| 40 ENEL | Ita | 221 | 18188.4 | 31/12/92 | 140 Eiffage | Fra | 613 | 6684.8 | 31/12/92 |
| 41 Opel,Adam | Ger | 401 | 18033.8 | 31/12/92 | 141 Hillsdown Holdings | UK | 451 | 6670.2 | 31/12/92 |
| 42 STET | Ita | 171 | 17315.6 | 31/12/92 | 142 Guinness | UK | 421 | 6655.0 | 31/12/92 |
| 43 Mannesmann | Ger | 566 | 17290.6 | 31/12/92 | 143 National Power | UK | 221 | 6632.1 | 28/03/93 |
| 44 INI | Spa | 171 | 16985.0 | 31/12/92 | 144 L'Oreal | Fra | 432 | 6627.5 | 31/12/92 |
| 45 Deutsche Bundespost Postdienst | Ger | 406 | 15798.6 | 31/12/92 | 145 Bass | UK | 421 | 6569.6 | 30/09/92 |
| 46 Metallgesellschaft | Ger | 634 | 15772.4 | 30/09/92 | 146 British Steel | UK | 633 | 6563.5 | 03/04/93 |
| 47 Ciba | Swi | 622 | 15678.6 | 31/12/92 | 147 GIB Group | Bel | 491 | 6548.1 | 31/01/93 |
| 48 British Gas | UK | 222 | 15640.6 | 31/12/92 | 148 IBM France | Fra | 531 | 6474.5 | 31/12/92 |
| 49 Petrofina | Bel | 212 | 15435.0 | 31/12/92 | 149 KNP BT | Net | 652 | 6462.2 | 31/12/92 |
| 50 Usinor Sacilor | Fra | 633 | 15295.3 | 31/12/92 | 150 Ilva | Ita | 633 | 6429.2 | 31/12/92 |
| 51 British Aerospace | UK | 523 | 15218.1 | 31/12/92 | 151 Holzmann (Philipp) | Ger | 613 | 6371.6 | 31/12/92 |
| 52 Ruhrkohle | Ger | 631 | 15150.6 | 31/12/92 | 152 Ladbroke Group | UK | 461 | 6355.2 | 31/12/92 |
| 53 Preussag | Ger | 634 | 15103.5 | 30/09/92 | 153 Pechiney International | Fra | 672 | 6232.4 | 31/12/92 |
| 54 Auchan (SA de Marches Usines) | Fra | 493 | 15019.1 | 31/12/92 | 154 Saint-Louis Group | Fra | 451 | 6222.4 | 31/12/92 |
| 55 Viag | Ger | 622 | 15002.9 | 31/12/92 | 155 PMU | Fra | 461 | 6088.3 | 31/12/92 |
| 56 Promodes | Fra | 491 | 14854.4 | 31/12/92 | 156 Zeneca | UK | 433 | 6069.2 | 31/12/92 |
| 57 Sainsbury J | UK | 493 | 14773.5 | 13/03/93 | 157 Toepfer (Alfred C.) Int | Ger | 122 | 6047.9 | 31/12/92 |
| 58 Rhone-Poulenc | Fra | 622 | 14414.8 | 31/12/92 | 158 Boots Company | UK | 492 | 6043.5 | 31/03/93 |
| 59 Krupp, Fried AG H-K | Ger | 633 | 14290.9 | 31/12/92 | 159 Thomson-CSF | Fra | 551 | 6033.3 | 31/12/92 |
| 60 Repsol | Spa | 212 | 14192.2 | 31/12/92 | 160 Associated British Foods | UK | 451 | 6031.1 | 30/09/92 |
| 61 SIP | Ita | 223 | 13739.8 | 31/12/92 | 161 Iberdrola | Spa | 221 | 5983.6 | 31/12/92 |
| 62 SNCF | Fra | 304 | 13616.2 | 31/12/92 | 162 Continental | Ger | 574 | 5979.9 | 31/12/92 |
| 63 Ford Werke | Ger | 401 | 13578.1 | 31/12/92 | 163 Trafalgar House | UK | 171 | 5948.0 | 27/09/92 |
| 64 BTR | UK | 591 | 13485.4 | 31/12/92 | 164 British Coal | UK | 631 | 5916.7 | 27/03/93 |
| 65 Hanson | UK | 171 | 13419.8 | 30/09/93 | 165 Ericsson LM | Swe | 533 | 5872.4 | 31/12/92 |
| 66 Saint-Gobain | Fra | 611 | 13056.1 | 31/12/92 | 166 Stora | Swe | 651 | 5856.8 | 31/12/92 |
| 67 Otto Versand | Ger | 495 | 13021.6 | 31/12/92 | 167 Cable & Wireless | UK | 223 | 5835.6 | 31/03/93 |
| 68 Lyonnaise des Eaux-Dumez | Fra | 221 | 12700.3 | 31/12/92 | 168 Esso UK | UK | 212 | 5789.7 | 31/12/92 |
| 69 Thomson | Fra | 551 | 12623.6 | 31/12/92 | 169 Dow Europe | Swi | 622 | 5754.2 | 31/12/92 |
| 70 BSN Groupe | Fra | 451 | 12497.4 | 31/12/92 | 170 IBM United Kingdom | UK | 531 | 5721.5 | 31/12/92 |
| 71 Edeka Zentrale | Ger | 491 | 12478.4 | 31/12/92 | 171 Vendex International | Net | 491 | 5719.3 | 31/01/93 |
| r72 Pinault-Printemps | Fra | 491 | 12390.4 | 31/12/92 | 172 Electrabel | Bel | 221 | 5666.8 | 31/12/92 |
| 73 Metro Deutschland | Ger | 491 | 12148.2 | 31/12/92 | 173 Docks de France | Fra | 493 | 5656.2 | 31/12/92 |
| 74 Grand Metropolitan | UK | 421 | 12069.9 | 30/09/92 | 174 Societe Generale de Belgique | Bel | 171 | 5626.9 | 31/12/92 |
| 75 Ahold | Net | 493 | 11866.3 | 31/12/92 | 175 Philip Morris Gmbh | Ger | 425 | 5613.4 | 31/12/92 |
| 76 Man | Ger | 566 | 11831.0 | 30/06/92 | 176 Holderbank Management | Swi | 611 | 5533.1 | 31/12/92 |
| 77 Michelin | Fra | 574 | 11793.0 | 31/12/92 | 177 C & A Mode | Ger | 495 | 5501.1 | 31/12/92 |
| 78 Richemont (Compagnie Financiere) | Swi | 171 | 11701.2 | 31/03/93 | 178 Rolls-Royce | UK | 521 | 5433.2 | 31/12/92 |
| 79 Tesco | UK | 493 | 11564.2 | 27/02/93 | 179 ICA | Swe | 493 | 5419.2 | 31/12/92 |
| 80 Pechiney | Fra | 671 | 11533.1 | 31/12/92 | 180 Arbed | Lux | 661 | 5415.4 | 31/12/92 |
| 81 Karstadt | Ger | 491 | 11416.0 | 31/12/92 | 181 Kingfisher | UK | 491 | 5411.7 | 30/01/93 |
| 82 Haniel | Ger | 171 | 11405.8 | 31/12/92 | 182 Lafarge Coppee | Fra | 611 | 5372.1 | 31/12/92 |
| 83 Deutsche Bundesbahn | Ger | 304 | 11320.7 | 31/12/92 | 183 Endesa | Spa | 221 | 5365.9 | 31/12/92 |
| 84 Bouygues | Fra | 613 | 11064.9 | 31/12/92 | 184 Texaco | UK | 212 | 5345.9 | 31/12/92 |
| 85 Schickedanz-Unternehmensgruppe | Ger | 491 | 10872.0 | 31/01/93 | 185 Bull (Groupe) | Fra | 541 | 5325.5 | 31/12/92 |
| 86 Schneider SA | Fra | 171 | 10870.8 | 31/12/92 | 186 L'Air Liquide | Fra | 621 | 5279.4 | 31/12/92 |
| 87 Casino | Fra | 493 | 10664.9 | 31/12/92 | 187 Pirelli Spa | Ita | 574 | 5259.4 | 31/12/92 |
| 88 Montedison | Ita | 622 | 10615.0 | 31/12/92 | 188 Accor | Fra | 464 | 5200.6 | 31/12/92 |
| 89 Kaufhof | Ger | 491 | 10703.4 | 31/12/92 | 189 Booker | UK | 591 | 5178.2 | 31/12/92 |
| 90 SHV | Net | 171 | 10659.8 | 31/12/92 | 190 BICC | UK | 541 | 5167.8 | 31/12/92 |
| 91 Deutsche Lufthansa | Ger | 301 | 10638.7 | 31/12/92 | 191 Cadbury Schweppes | UK | 461 | 5144.0 | 02/01/93 |
| 92 Migros | Swi | 493 | 10509.8 | 31/12/92 | 192 Olivetti | Ita | 534 | 5116.2 | 31/12/92 |
| 93 Bertelsmann | Ger | 472 | 10485.1 | 30/06/93 | 193 Tate & Lyle | UK | 451 | 5024.4 | 26/09/92 |
| 94 Volvo | Swe | 401 | 10366.3 | 31/12/92 | 194 Procordia | Swe | 433 | 4979.1 | 31/12/92 |
| 95 Sandoz | Swi | 433 | 10179.4 | 31/12/92 | 195 Havas (Agence) | Fra | 475 | 4971.9 | 31/12/92 |
| 96 Air France | Fra | 301 | 10058.1 | 31/12/92 | 196 Co-operative Wholesale Society | UK | 493 | 4962.5 | 09/01/93 |
| 97 Electrolux | Swe | 402 | 10045.8 | 31/12/92 | 197 RTZ Corporation | UK | 634 | 4954.2 | 31/12/92 |
| 98 Statoil | Nor | 213 | 9984.9 | 31/12/92 | 198 Heineken | Net | 421 | 4914.6 | 31/12/92 |
| 99 Neste | Fin | 214 | 9936.3 | 31/12/92 | 199 DSM | Net | 622 | 4894.5 | 31/12/92 |
| 100 Matra Hachette | Fra | 171 | 9720.9 | 31/12/92 | 200 Powergen | UK | 221 | 4862.7 | 04/04/93 |

*In addition to companies which are publicly-owned and which appear in the top 500, this table also includes private- and state-owned companies. The turnover rank for companies in the top 500 table, will therefore differ.



■ FOCUS ON THE UK 500

# Conglomerates illustrate a paradox

**The prices which rose most sharply last year were those of shares themselves. As a result, says Tony Jackson, some of the star performers have been from the City**

There is a curious paradox lurking in this year's UK industrial rankings. On the one hand, BTR has moved from 11th place to 8th, while Hanson has held its position at 9th. Conglomerates, it seems, are a good thing.

On the other hand, look at Imperial Chemical Industries. Last year ICI decided it was too much like a conglomerate for comfort, and split itself in two: a new high-tech company called Zeneca, and a new ICI taking in bulk chemicals. The combined value of the two is now £12bn, which would rank ICI in its old form as 10th in the UK, displacing Marks and Spencer. The year before, ICI only ranked 16th. So conglomerates, it seems, are a bad thing after all.

In fact, both sides of the paradox make perfect sense in their own terms. The relevant characteristic of both BTR and Hanson is that they are well and conservatively managed. It is this, quite as much as their diversity, that equips them to survive in the present tough economic conditions. It is worth recalling that the biggest company in the US by market value is now a quintessential conglomerate, General Electric, with activities ranging from stockbroking to building locomotives. Again, the relevant characteristic is management. Mr Jack Welch, GE's boss, is perhaps the most admired manager in the US.

As for ICI, the fact that it has been able to add value by splitting itself up is perhaps not surprising. Successive generations of ICI management have toyed with the idea for decades, if only on the grounds that making investment decisions across the range of ICI's businesses was becoming increasingly hard as the technology became more sophisticated. Other members of the top 100 companies in the UK, such as Vodafone and Courtaulds, are the successful products of demerger. The argument for and against conglomerates is an interesting one in theory. In practice, it seems, it is more a matter of horses for courses.

The rankings contain another wider paradox, this time to do with the theme of inflation. The single biggest reason for the strength of the UK stock market in the past year has been the realisation that stable prices may not be a mere cyclical phenomenon, but part of a deeper economic shift.

But that same factor has resulted in some of the year's biggest casualties. The big supermarket chains, for instance, need rising prices to ensure high margins, which in turn are needed to finance their ambitious expansion programmes. Unsurprisingly, therefore, Sainsbury and Tesco have taken a hammering. Some of the smaller supermarket chains have fared even worse: William Low, which last year was a respectable 360th, is now within an ace of falling out of the rankings.


Because prices have been relatively stable, the big supermarket chains such as Sainsbury and Tesco have taken a hammering

Similarly, the soaring share price of Guinness in the late 1980s was based above all on persuading Scotch drinkers around the world to pay ever-increasing prices for their tipple on the basis of its snob appeal. In a world of stable prices, that game is over. Guinness has fallen from 8th to 16th. The niche malt whisky maker Macallan-Glenlivet has slumped from 282 to 383.

On the other hand, look at British Steel. This, one would think, must surely have been a casualty last year. The business press has been full of the crisis in Europe's steel industry, and of faltering attempts to cut capacity. But on the contrary, British Steel has been a star performer, jumping from 90th to 59th. The reason – and here is the real paradox – is that it has successfully raised its prices several times in the past year.

British Steel is not alone. The building materials companies such as Redland and Blue Circle have also raised prices, and have jumped in the ratings accordingly. There is a further twist. Part of the reason for these companies' strong performance is linked to the property market: Land Securities and MEPC, for instance, have also risen sharply in the ratings. This is because the market detects signs of recovery in property: that is, prices are rising again.

From a purely industrial viewpoint, the net effect of all this is slightly depressing. Of the 49 sectors in the London equity market, 22 consist of companies which actually make things. Of those, only four rose in the rankings last year: building materials, housebuilding, fabricated metals (largely steel) and aerospace. The first three have been touched on: the fourth is chiefly based on the remarkable recovery at British Aerospace, which in turn owes much to the renaissance of BAe's Rover subsidiary.

Less cheerfully, 10 of the industrial sectors fell in the rankings. Again, the sectors worst affected have been those most hit by falling prices – in particular, drugs, tobacco and drink.

It is an illustration of the global effects of deflation that in drugs and tobacco particularly, the bad news has come from the US. For drugs, the deciding factor has been President Clinton's campaign to reduce health costs. For tobacco, it was Philip Morris's dramatic decision last April to slash the price of Marlboro cigarettes.

But from an investment viewpoint, none of this is a reason to be down-hearted. After all, the prices which rose most sharply in the UK last year were those of shares themselves. As a result, some of the star performers in the rankings have been from the City. The stockbroking firm Smith New Court has come from nowhere to enter the rankings at 381. The merchant bank Schroders went from 130 to 90. Along with its fellow merchant bank Warburg, it won itself a place last year in the FT-SE index of Britain's 100 biggest companies.

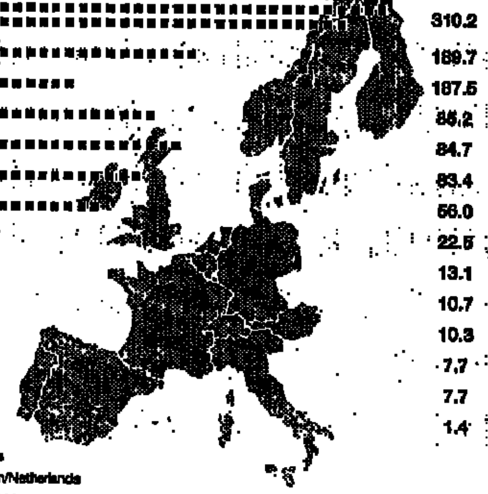
The fact that hopes of a reviving economy have principally benefited folk in the City is scarcely surprising. Indeed, it illustrates to perfection an old maxim in stockbroking. The way to make money, says the maxim, is as follows: find out where the action is – diamonds in South Africa, oil in the North Sea – and go there. But whatever you do, do not get involved in diamonds or oil yourself. Sell sandwiches.

## ■ UK Biggest employers

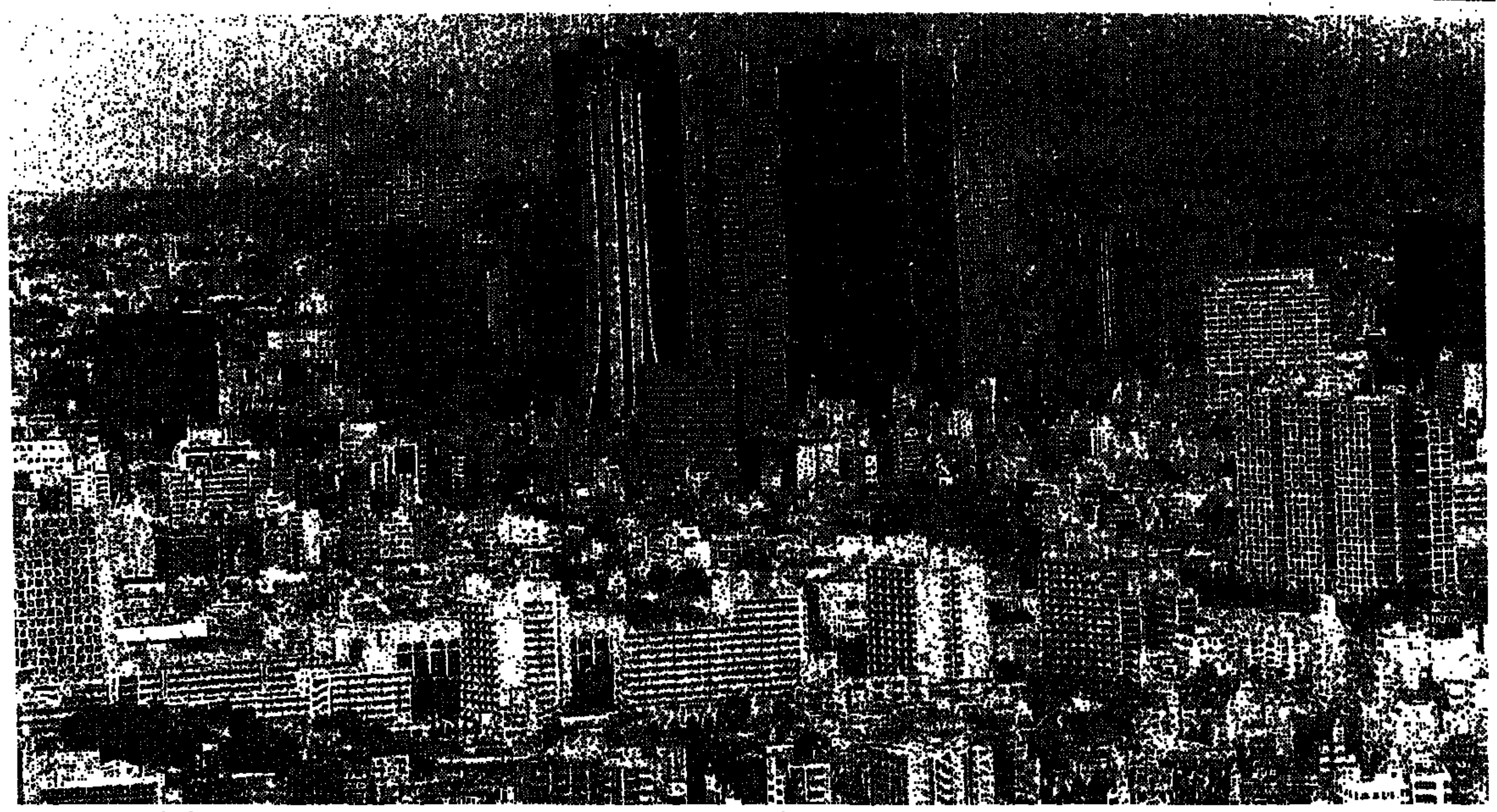
| | Company | Sector | UK500 Rank | Employees |
|---|---|---|---|---|
| 1 | BAT Industries | 171 | 6 | 197989 |
| 2 | BT | 223 | 1 | 170700 |
| 3 | BTR | 591 | 8 | 135133 |
| 4 | Sainsbury J | 493 | 19 | 120119 |
| 5 | Imperial Chemical Industries | 622 | 28 | 117500 |
| 6 | British Aerospace | 523 | 91 | 108500 |
| 7 | Lonrho | 171 | 146 | 106161 |
| 8 | British Petroleum | 212 | 5 | 105750 |
| 9 | Grand Metropolitan | 421 | 14 | 102405 |
| 10 | BET | 171 | 116 | 101408 |
| 11 | HSBC Holdings | 112 | 4 | 99148 |
| 12 | General Electric Company | 541 | 13 | 93228 |
| 13 | Tesco | 493 | 38 | 86066 |
| 14 | National Westminster Bank | 112 | 17 | 85900 |
| 15 | Bass | 421 | 37 | 84095 |
| 16 | Forte | 464 | 78 | 81000 |
| 17 | Boots Company | 492 | 32 | 79738 |
| 18 | British Gas | 222 | 7 | 79377 |
| 19 | Barclays | 112 | 18 | 76852 |
| 20 | Hanson | 171 | 9 | 75000 |
| 21 | P & O Steam Navigation | 303 | 48 | 71133 |
| 22 | Asda Group | 493 | 88 | 69288 |
| 23 | RTZ Corporation | 634 | 21 | 68298 |
| 24 | Lloyds Bank | 112 | 20 | 67083 |
| 25 | Argyll Group | 493 | 45 | 65937 |

## FT 500 capitalisation by country

| Country | Companies | $ billion |
|---|---|---|
| UK | 187 | 828.5 |
| Germany | 67 | 316.2 |
| France [1] | 77 | 310.2 |
| Switzerland | 26 | 189.7 |
| Netherlands [2] | 17 | 187.5 |
| Spain | 23 | 86.2 |
| Italy | 25 | 84.7 |
| Sweden [3] | 22 | 83.4 |
| Belgium [4] | 19 | 56.0 |
| Denmark | 10 | 22.5 |
| Norway | 6 | 13.1 |
| Finland | 8 | 10.7 |
| Austria | 4 | 10.3 |
| Luxembourg | 4 | 7.7 |
| Ireland | 4 | 7.7 |
| Portugal | 1 | 1.4 |



(1) One joint UK/France (2) Three joint UK/Netherlands
(3) One joint Sweden/Switzerland (4) One joint Belgium/Netherlands



Tokyo skyline: the leading commercial banks follow the world's largest company by market capitalisation, NTT, on the FT Japan 100 — Ashley Ashwood

■ JAPAN

# Global giants braced for restructuring

**Emiko Terazono** discusses the effect of one of the most severe economic downturns in post-war history on the performance of leading Japanese groups

The FT's list of top Japanese companies by market capitalisation reflects a period of sagging share prices as a result of one of the most severe economic downturns in post-war history.

Nevertheless, even with the Nikkei average off 48 per cent from its peak in 1989, companies topping the Japan 100 list are among the largest in the world by market capitalisation. The relatively large market capitalisation of Japanese companies is the result of share prices being swollen by strategic cross shareholding among the country's companies and banks.

Aggressive fund-raising on the stock markets during the late 1980s accelerated companies' moves towards stable shareholding, resulting in fewer floating shares in the market. At the end of 1992, 73.1 per cent of the Tokyo stock market was held by financial and non-financial corporations.

The traditional custom of placing funds into stock and stock assets prompted investors to pump extra cash into the Tokyo market in the 1980s, pushing prices higher. Meanwhile, the absence of a merger and acquisition market deprived investors of a chance to test share prices and valuations, leaving share prices distorted.

Mr Alex Kinmont, strategist at Morgan Stanley in Tokyo, believes that if the cross shareholding structure and fund-raising patterns were adjusted to match western standards, the market capitalisation of companies would fall by half from the present levels.

*Another aspect of Japanese companies* is the low return on capital employed. The figures reflect low awareness of capital cost among Japanese companies, which have traditionally relied on banks for funding. Rather than a place to raise capital, for many of the blue chips companies the equity market has been regarded as a place to acquire status within the business community.

Many companies have invested funds raised through equity-linked financing during the late 1980s into companies within the keiretsu (corporate grouping structures) and the industry. Considering the low dividends of Japanese companies the returns on such investments have been insignificant.

The vast market capitalisation of Nippon Telegraph and Telephone (NTT), which ranks first, is justified by its large scale of assets and businesses, which could be spun off as separate companies in the future.

However, its shares are held by financial and industrial companies, especially of those electronic and telecommunication equipment corporations which comprise the "NTT family".

NTT, which became a private company in 1986, is suffering the effects of greater competition, and profits last year fell 44 per cent to Y205.8bn. The company is seeking to cut about 10,000 employees from its payroll through voluntary retirement by the end of next year.

The deteriorating business outlook is depressing NTT's share price, hence eroding unrealised profits of companies which hold its stock.

The leading commercial banks, which follow NTT on the rankings list, are at the core of the keiretsu, or corporate groupings tied together by cross shareholdings. They also buy stocks of companies they lend to, and vice versa, hence, are at the centre of a complicated web of cross shareholdings.

For the banks, holding a company's stock was a way to maintain relationships with companies and, at the same time, wield influence over corporate decisions. For the companies, such shareholdings acted as a form of insurance that the banks would stand behind them in times of financial difficulty.

However, due to mounting bad loans stemming from the reckless lending of the late 1980s, the banks are finding it more difficult to maintain such ties. Problem loans rose 9.6 per cent during the first half of the business year to September, and the banks are realising profits on long-term stock holdings to cover the losses from writing off such loans. Dai-Ichi Kangyo Bank, for example, took profits of Y52.2bn during the period.

The banks may see lower market capitalisation in the future as they are forced to unravel more of their cross shareholdings as a fall in fund demand from companies depresses profits, while at the same time, the weak stock market erodes its unrealised stock-holding gains.

Toyota Motor, ranked seventh, is a company supported by a typical industrial keiretsu and cross-shareholding relationship which includes component suppliers, specialised manufacturers, and distributors.

Almost all large manufacturers, such as Nissan, Hitachi, and Matsushita Electric Industrial, have their own keiretsu. However, such relationships are also slowly loosening as companies are forced to supplement their falling profits with gains on shareholdings.

The large manufacturers are also reviewing existing relationships with their group suppliers, telling them to reduce their reliance on the company at the core of the grouping.

The downturn in the economy is accelerating the rise in awareness about the cost of capital. Some companies already recognise the importance of profitability, especially new industries which are not bound by old ties.

Nintendo, the video game maker, ranked 49th, has a 26.5 per cent return on capital employed, while Seven-Eleven Japan, the convenience store chain, ranked 18th, has a return on capital of 18.5 per cent.

As corporate profits and share prices remain in the doldrums, more companies will be forced to unwind cross shareholdings. Although the cross-shareholding structure of the traditional type keiretsu such as the Mitsubishi and the Mitsui groups, will take time to disappear, relationships between companies on the fringe of such groupings are likely to diminish.

In the long run, companies will be forced to use capital more efficiently, and although it may not happen immediately, market capitalisation of the Tokyo stock market will decline as companies will value profits over relationships.

In addition, with the present restructuring of companies, which is likely to lead to a review of traditional practices, such as life-time employment, and with shareholders eventually gaining more strength due to legal changes in the commercial code, return on capital employed is likely to increase gradually.

### ■ A–Z list of the Japanese top 100

| Company | RANK |
|---|---|
| **A** | |
| Ajinomoto Co Inc | 79 |
| All Nippon Airways Co Ltd | 33 |
| Asahi Bank | 14 |
| Asahi Chemical Industry Co Ltd | 69 |
| Asahi Glass Co Ltd | 44 |
| **B** | |
| Bank Of Yokohama Ltd | 54 |
| Bank Of Tokyo Ltd | 12 |
| Bridgestone Corporation | 70 |
| **C** | |
| Canon Inc | 62 |
| Chiba Bank Ltd | 87 |
| Chubu Electric Power Co Inc | 24 |
| Chugoku Electric Power Co Inc | 68 |
| **D** | |
| Dai Nippon Printing Co Ltd | 51 |
| Dai-Ichi Kangyo Bank Ltd | 4 |
| Daiwa Bank | 31 |
| Daiwa House Industry Co Ltd | 94 |
| Daiwa Securities Ltd | 29 |
| **F-H** | |
| Fanuc Ltd | 81 |
| Fuji Bank Ltd | 6 |
| Fuji Photo Film Co Ltd | 45 |
| Fujitsu Ltd | 39 |
| Hachijuni Bank | 100 |
| Hitachi Ltd | 17 |
| Honda Motor Co Ltd | 38 |
| **I-J** | |
| Industrial Bank Of Japan | 3 |
| Ito-yokado Co Ltd | 20 |
| Itochu Corporation | 84 |
| Japan Air Lines Co Ltd | 62 |
| Joyo Bank Ltd | 98 |
| **K-L** | |
| Kajima Corporation | 92 |
| Kansai Electric Power Co Inc | 16 |
| Kawasaki Steel Corporation | 67 |
| Kinki Nippon Railway Co Ltd | 46 |
| Kirin Brewery Co Ltd | 48 |
| Kobe Steel Ltd | 93 |
| Kokusai Denshin Denwa Co Ltd | 91 |
| Kubota Corporation | 80 |
| Kyocera Corporation | 61 |
| Kyushu Electric Power Co Inc | 50 |
| Long Term Credit Bank | 19 |
| **M** | |
| Matsushita Electric Ind Co | 13 |
| Matsushita Electric Works Ltd | 83 |
| Mitsubishi Bank | 2 |
| Mitsubishi Corporation | 26 |
| Mitsubishi Electric Corporation | 58 |
| Mitsubishi Estate Ltd | 47 |
| Mitsubishi Heavy Industries | 23 |
| Mitsubishi Kasei Corporation | 96 |
| Mitsubishi Trust & Banking | 27 |
| Mitsui & Co Ltd | 57 |
| Mitsui Fudosan Co Ltd | 56 |
| Mitsui Trust & Banking | 41 |
| **N** | |
| Nec Corporation | 40 |
| Nikko Securities Co Ltd | 35 |
| Nintendo Co Ltd | 49 |
| Nippon Credit Bank Ltd | 53 |
| Nippon Express Ltd | 60 |
| Nippon Oil Co Ltd | 72 |
| Nippon Steel Corporation | 21 |
| Nippon Telegraph & Telephone | 1 |
| Nippondenso Co Ltd | 42 |
| Nissan Motor Co Ltd | 28 |
| Nkk Corporation | 73 |
| Nomura Securities Ltd | 11 |
| **O-S** | |
| Osaka Gas Co Ltd | 53 |
| Sakura Bank | 9 |
| Sankyo Co Ltd | 56 |
| Sanwa Bank Ltd | 8 |
| Sanyo Electric Co Ltd | 82 |
| Secom Co Ltd | 99 |
| Sega Enterprises Ltd | 66 |
| Seibu Railway Co Ltd | 30 |
| Sekisui House Ltd | 75 |
| Seven-eleven Japan Co Ltd | 18 |
| Sharp Corporation | 36 |
| Shikoku Electric Power Co Inc | 97 |
| Shizuoka Bank Ltd | 65 |
| Sony Corporation | 34 |
| Sumitomo Bank Ltd | 5 |
| Sumitomo Corporation | 71 |
| Sumitomo Electric Industries | 77 |
| Sumitomo Metal Industries Ltd | 74 |
| Sumitomo Trust & Banking Co | 32 |
| **T-Z** | |
| Taisho Pharmaceutical Co Ltd | 95 |
| Takeda Chemical Industries Ltd | 59 |
| Tohoku Electric Power Co Inc | 37 |
| Tokai Bank Ltd | 16 |
| Tokio Marine & Fire Ins | 25 |
| Tokyo Electric Power Co Inc | 10 |
| Tokyo Gas Co Ltd | 43 |
| Tokyu Corporation | 76 |
| Tonen Corporation | 65 |
| Toppan Printing Co Ltd | 83 |
| Toray Industries Inc | 86 |
| Toshiba Corporation | 22 |
| Tostem Corporation | 85 |
| Toyo Trust & Banking Co | 78 |
| Toyota Motor Corporation | 7 |
| Yamanouchi Pharmaceutical Co | 90 |
| Yasuda Trust & Banking | 64 |



COUNTRY ANALYSES

■ GERMANY

# The cushion may be wearing thin

Investor confidence has soared after the worst year for business since the war. But, under pressure to *reduce their prices, many companies are still* struggling to survive, says **Christopher Parkes**

By common consent, west German business has just emerged from its worst year since the war. Automotive manufacturers and engineering concerns, the country's top export earners, for example, suffered production cuts of 25 per cent and 10 per cent respectively. But the Bayerische Hypo Bank's forecast of just over a year ago, that "the looming recession will not turn out to be a serious disaster for most German companies" has proved to be right so far.

The reason, as the bank implied, was that companies were able to cushion the shocks by drawing on reserves of financial fat laid down in the previous decade of relative prosperity. Nowhere was this cushion more apparent than at Daimler-Benz, the country's industrial flagship, which drew down some DM2bn from reserves salted away in better times to limit its nine-month losses – according to German accounting standards – to just DM181m. By US principles, however, the group slumped DM2bn into the red.

*Since Daimler is the only German company* so far listed on the New York Stock Exchange – it made the move in October – there is no accurate way to penetrate the books of other companies to win a clear impression of the impact of the slump on earnings. But there can be no mistaking the effects of recession on German management. Galvanised by its rude awakening, it has set about rationalisation and restructuring with unprecedented vigour. Lean management, lean production and concentration on "core" operations have become the watchwords. Encrusted management bureaucracies have been broken down. Workforces have been cut ruthlessly. The traditionally cosy relationship between capital and labour has been brought into question and a new order is emerging. Planned investments have been subjected to the most rigorous examination, and, in many cases, scrapped. Long-time problem subsidiaries have been unceremoniously dumped.

Daimler, the lumbering automotive, aerospace and electrical engineering group, is a case in point. AEG, its stand-alone electrical and electronics engineering subsidiary, now faces a new future as an integrated provider of equipment and services for the rest of the group. Its domestic appliances division is to go to Electrolux. Other divisions, finally

Continued on next page

### ■ German companies by market capitalisation

| | Company | $m | FT500 rank | Sector |
|---|---|---|---|---|
| 1 | Allianz Holding | 30867.4 | 4 | 151 |
| 2 | Siemens | 22650.0 | 10 | 541 |
| 3 | Deutsche Bank | 22586.3 | 12 | 112 |
| 4 | *Daimler-Benz* | *21344.0* | *14* | *401* |
| 5 | Muenchener Ruckversicherungs | 13876.6 | 27 | 151 |
| 6 | Veba | 12381.5 | 33 | 171 |
| 7 | Bayer | 12333.6 | 34 | 622 |
| 8 | Dresdner Bank | 10565.8 | 50 | 112 |
| 9 | Hoechst | 9971.0 | 55 | 622 |
| 10 | RWE | 9133.2 | 61 | 221 |
| 11 | BASF | 9064.6 | 63 | 622 |
| 12 | Volkswagen | 8116.2 | 88 | 401 |
| 13 | Mannesmann | 6092.9 | 89 | 566 |
| 14 | Bayerische Vereinsbank | 6041.7 | 94 | 112 |
| 15 | Allianz Lebensversicherungs | 5994.8 | 96 | 151 |
| 16 | Bayerische Hypo. & Wechsel Bk | 5888.1 | 97 | 112 |
| 17 | Bayerische Motoren Werke | 5821.5 | 99 | 401 |
| 18 | Commerzbank | 5500.4 | 105 | 112 |
| 19 | Viag | 4890.1 | 118 | 622 |
| 20 | Schering | 4164.9 | 137 | 622 |
| 21 | Thyssen | 3921.2 | 146 | 633 |
| 22 | Hochtief | 3869.4 | 150 | 613 |
| 23 | AMB Aachener & Muenchener Beteil | 3712.8 | 154 | 151 |
| 24 | Preussag | 3690.9 | 155 | 634 |
| 25 | Linde | 3357.6 | 169 | 566 |
| 26 | VEW | 3252.3 | 174 | 221 |
| 27 | Isar Amperwerke | 2919.1 | 195 | 221 |
| 28 | Karstadt | 2840.8 | 200 | 491 |
| 29 | Deutsche Lufthansa | 2781.9 | 207 | 301 |
| 30 | Victoria Holding | 2681.5 | 212 | 151 |
| 31 | Kaufhof | 2345.2 | 240 | 491 |
| 32 | Berliner Bank | 2258.3 | 248 | 112 |
| 33 | Badenwerk | 2148.7 | 259 | 221 |
| 34 | Man | 2137.0 | 261 | 566 |
| 35 | BHF Bank | 2089.8 | 263 | 112 |
| 36 | Heidelberger Zement | 1984.7 | 278 | 611 |
| 37 | Metallgesellschaft | 1937.7 | 280 | 634 |
| 38 | Beiersdorf | 1931.0 | 281 | 432 |
| 39 | Rheinelektra | 1892.1 | 286 | 541 |
| 40 | Suedzucker | 1882.1 | 288 | 451 |
| 41 | Degussa | 1874.7 | 289 | 622 |
| 42 | Holzmann (Philipp) | 1751.0 | 310 | 613 |
| 43 | Thuega | 1668.7 | 322 | 221 |
| 44 | Bilfinger & Berger | 1668.3 | 323 | 613 |
| 45 | Asko Deutsche Kaufhaus | 1647.7 | 329 | 491 |
| 46 | Deutsche SB-Kauf | 1611.7 | 335 | 493 |
| 47 | Krupp, Fried AG H-K | 1590.7 | 340 | 633 |
| 48 | Wuerttembergische AG Versich | 1538.3 | 353 | 151 |
| 49 | Volksfuersorge | 1505.8 | 357 | 151 |
| 50 | Berliner Kraft und Licht | 1454.9 | 369 | 221 |
| 51 | AVA | 1438.7 | 371 | 401 |
| 52 | Lahmeyer | 1342.5 | 399 | 613 |
| 53 | Deutsche Pfandbrief-und HypoBank | 1314.5 | 406 | 112 |
| 54 | IKB Deutsche Industriebank | 1299.7 | 408 | 112 |
| 55 | AGIV | 1283.6 | 411 | 171 |
| 56 | Baden-Wuerttembergische Bank | 1271.9 | 412 | 112 |
| 57 | Continental | 1255.1 | 414 | 574 |
| 58 | Gehe | 1238.7 | 417 | 433 |
| 59 | Springer (Axel) | 1212.8 | 426 | 472 |
| 60 | Altana | 1159.9 | 434 | 433 |
| 61 | DBV | 1104.3 | 443 | 151 |
| 62 | Nuernberger Beteiligung | 1074.5 | 453 | 151 |
| 63 | HEW | 1058.6 | 462 | 221 |
| 64 | SAP | 1048.6 | 465 | 551 |
| 65 | Douglas Holdings | 988.2 | 478 | 494 |
| 66 | Oldenburgische Landesbank | 963.2 | 487 | 112 |
| 67 | Vereins- und Westbank | 933.1 | 497 | 112 |

THE FT500

■ UNITED KINGDOM

# No easy ride for Britain's top companies

**Attention has focused on banks, property shares and electricity suppliers. Among the large losers have been the growth stocks of yore, says Peter Montagnon**

Britain's top companies might have felt entitled to an easier ride in 1993 after the traumas of the election and the enforced departure from the ERM in 1992. In the event, the recovery has been patchy and many companies have found it hard to push up their margins. The biggest surprise has been the failure of inflation to take off after the devaluation. Only gradually has the City come to accept that it may remain muted for some time to come.

The stock market, meanwhile, has been travelling hopefully, discounting large earnings recoveries and justifying higher price/earnings multiples on the grounds that lower inflation would improve the quality of earnings. But at least part of the excitement in the equity and the gilts market has been generated by a flow of funds out of low-yielding building society and bank deposits. Flows into unit trusts have been running at record levels.

The concern among investors is twofold. First, they are worried about the extent of the recovery, and, second, they are anxious to preserve a running return at a time of falling interest rates. Attention has focused on interest sensitive stocks such as banks whose ability to pay higher dividends has increased just as provisions have started to fall. Property shares, too, have been in demand, as have electricity stocks which offer both yield and the prospect of dividend increases.

Movements of UK companies within the European top 500 reflect these factors. Among the large losers have been the growth companies of yore which thrived during the recession, such as supermarkets and pharmaceutical companies. J. Sainsbury may have managed a 17 per cent increase in profit and a 23 per cent return on capital but it has still slipped to 39 from 26th place in the rankings. Kwik Save, with a return on capital of 44 per cent, slipped even further to 352 from 266, though the new-look Asda managed to buck the rankings trend.

The proximate reason for the supermarkets' bad performance is pressure on margins as more and more money is invested in new stores and competition increases from the discount outlets. The worry in pharmaceuticals has been related to US healthcare reform and the more general fear that pressure on medical costs around the world will reduce the profitability of patented prescription drugs. Glaxo thus slipped from second to seventh place, while Wellcome moved to 59 from 29.

Also hit by a shift in sentiment have been the drinks companies. In the case of Bass - down to 93rd place from 57 - the worry has been the pressures on the brewers as a result of excess capacity and parallel imports from France at a time of shrinking demand. Guinness has suffered from the reluctance of whisky drinkers to trade up in the less flamboyant 1990s. Though its faith in the value of brands remains undiminished, impatience among investors at repeated downgrades of profits expectations has taken its toll. Guinness fell to 29th place from 15.

By contrast, it has been a much more satisfying year for the banks which have enjoyed windfall profits from foreign exchange trading as well as lower provisions in the light of falling interest rates. HSBC Holdings has jumped from 19th place to 8th, though that also reflects its acquisition of Midland Bank and the astonishing buoyancy of the Hong Kong market.

The latter factor has also helped boost Standard Chartered, up from 259th place to 165, while the merchant banks have also reflected the buoyant state of financial markets. Both S.G. Warburg and Schroders moved up smartly, while Kleinwort Benson entered the rankings at 492.

Falling gilt market yields and lower bank base rates have also put a different perspective on the property market. Land Securities jumped to 108 from 136th place in the rankings. Hopes that the construction industry would benefit from lower interest rates boosted building materials suppliers. Redland rose to 132 from 166. It was helped also by its extensive interests in Germany where rebuilding has continued in the east despite the recession in the west.

Curiously, the yield attractions which have boosted the electricity companies (Southern, Eastern and Midlands Electricity all moved up among the leaders), has been less in evidence in the water sector. This may reflect worries about the cost of capital investment required to meet EU standards. In some cases this is compounded by concern about diversification into unregulated markets. Severn Trent, Northwest and Anglian Water all moved lower.

Among individual companies it has been a remarkable recovery year for British Aerospace, up to 231 from 464 as restructuring of its aerospace business and recovery in the car market starts to bite. Having finally managed to increase its prices, British Steel jumped to 147th place from 229. With the new management installed by Hongkong Land making its presence felt, Trafalgar House joined the rankings at 319th position.

Reed Elsevier and Zeneca also joined, the former on merger, the latter on its demerger from ICI. Mirror Group was another addition. Departures included Charter, Ranks Hovis McDougall (bought by Tomkins), British Vita, Pentland Group, Iceland Foods and Courtaulds Textiles.

■ SPAIN

# Enter blue-chip Argentaria

**The first four institutions on the Madrid stock exchange in terms of market capitalisation are all controlled by the government, writes Tom Burns**

There was no whispering, back-door entry by Argentaria into the FT500. The Spanish banking group came in with a bang that shot it into the upper echelons.

Previously unlisted, through being wholly state-owned, Argentaria placed 25 per cent of its equity on the market in May, and then another 25 per cent in November, and displaced Banco Bilbao Vizcaya as the largest Spanish bank in terms of market capitalisation.

May's Argentaria One had netted Pta120bn in a heavily subscribed placement, and the combination of unsatisfied investor demand and the bank's strong third-quarter figures ensured a further Pta170bn for the Spanish exchequer when Argentaria Two was offered six months later. With Argentaria now recognised as a solid blue chip, the top Spanish companies at present have a distinctly "statified" air about them: the first four institutions on the Madrid stock exchange in terms of market capitalisation - the telecommunications group Telefonica; the electrical utility, Endesa; Repsol, the energy corporation; and Argentaria - are all controlled by the government. Together, they represent 35 per cent of the Bolsa's total capitalisation.

Argentaria's chairman, Francisco Luzon, says he would like to avoid tapping the markets again this year, although he concedes that the decision whether to make a further share offering depends on the government. He hopes to consolidate a business which saw a 30 per cent rise in operating profit in the first nine months of last year and a 6 per cent rise in its deposits.

There is nothing, of course, to stop the government reducing its equity in Argentaria to below 50 per cent while still controlling the group. It did exactly that in April last year at Repsol, when it placed 13 per cent of the energy conglomerate and lowered the state shareholding to 41 per cent, realising Pta110bn in the process. At Telefonica, the government maintains its control over domestic communications with a 32 per cent shareholding.

However, the eyes of most fund managers scrutinising Spanish companies are likely to be focused in the coming months on Endesa, where the government is expected to sell off part of its 67 per cent shareholding.

Endesa, long a favoured Spanish stock, is viewed by analysts as more attractive still, as a result of a government-sponsored reorganisation of the domestic electricity sector that will come into operation this year. The overhaul includes a fine-tuning of the pricing system and a series of asset sales by the more indebted utilities to more financially healthy ones such as Endesa.

The state-owned utility will lose the price advantages that it has enjoyed, but will gain far more through the acquisitions. Essentially, it will increase its retail market strength and improve a generating mix that has, in the past, been over-dependent on coal. The final approval of the electricity sector's overhaul could well be followed by a decision to reduce the government's equity in Endesa.

The fortunes of Telefonica and of Repsol will also be closely monitored, for both face challenges in the months ahead. Telefonica's is centred on the impact of deregulation; while Repsol, which has already waged the liberalisation battle, is finalising details for the purchase of Enagas, Spain's monopoly gas supplier, and is set to create one of the biggest natural gas companies in Europe.

Telefonica is putting on a brave face as it prepares for competition on its home turf, and this could well be justified on account of the government's apparent determination to protect the company by delaying as long as possible the implementation of deregulatory measures drawn up the EU. The company claims that it will hold on to a market share of at least 75 per cent of the deregulated services, and that it will at most lose 4 per cent of its revenue.

The chairman, Candido Velazquez, has nonetheless taken competition on board, and has signed up J.P. Morgan as a key partner to assist Telefonica's bid for strate-

Continued on next page

# The cushion may be wearing thin

Continued from page 15

adjudged too small to compete internationally have been folded up into joint ventures with General Electric of the US, for example. Subsidiaries making electricity meters and motors will be sold.

Deutsche Aerospace (Dasa) is to close at least six sites and its defence business, crippled by government spending cuts, is to be "minimalised" in the words of Mr Edzard Reuter, Daimler chairman. Just before Christmas, Dasa's MTU aircraft engine business announced a share swap with Pratt & Whitney of the US, tightening an existing relationship.

Group-wide workforce reduction plans for this year and last allow for at least 50,000 job losses: mostly in Germany. And change will continue: partnerships are under discussion in other sectors. AEG's DM2bn-a-year railways business, forced out of a planned deal with Siemens last year by the Berlin cartel office, still needs more international muscle.

Like many other German companies, Daimler has taken advantage of the recession to drive through changes which in better times would have run into severe opposition from the workforce. The result, as for many other listed companies, has been an extraordinary resurgence of investor confidence. The Frankfurt stock exchange's DAX index, which rose around 40 per cent last year, headed ever more sharply upwards from mid-summer as confidence grew that Daimler, the lame duck Volkswagen, the battered chemicals giants and others were coming to grips with their structural problems and could fairly be nominated as "recovery stocks" with plenty of profit potential.

The liveliness of German share prices has admittedly been enhanced by other factors. For example, confidence has been increased by inferences drawn from recent gross national product figures that the west German economy is unlikely to fall any further in the current cycle. The Bundesbank's cautious erosion of interest rates has mobilised funds, and signs that inflation is coming under control give grounds for more optimism. Further impetus has come from large volumes of foreign liquidity, especially from US investors looking to correct their under-weighting in Germany.

In sum, the investment community has nominated Germany Incorporated as a holding with "recovery" written all over it. Many of the blue chip industrial companies expect to be up and running by 1995.

But it is as well to remember another portion of the Bayerische Hypo Bank's late-1992 forecast, in which it warned of "a sword of Damocles" hanging over large swathes of German industry and the banks which finance it. The cost-cutting and rationalisation efforts of the larger groups have created a disruptive backwash through the ranks of small and medium-sized *Mittelstand* companies which supply the big names with parts and services.

Under intense pressure to reduce their prices, many have already gone under and many more are struggling to survive. A measure of the scale of the danger was provided in early December by Mr Hilmar Kopper, chairman of Deutsche Bank, who estimated that 1993 provisions for loan risks would be a record DM3bn. Some 90 per cent of that was required to cover risks within Germany, he said.



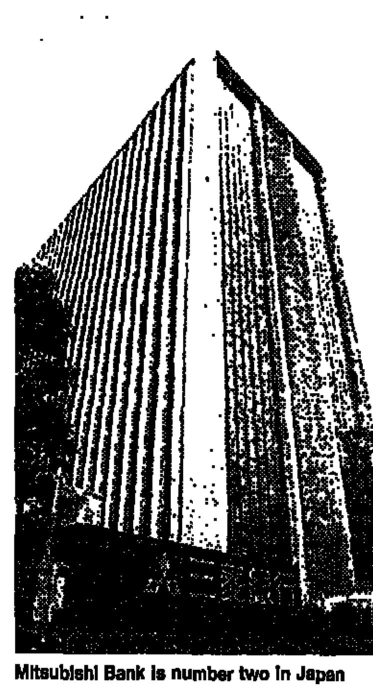


حكذا منه الأصل

| | company | Capital $m | Sector | Rank | Turnover This year $m | Turnover Last year $m | % change | Profit this year $m | Profit last year $m | % change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Nippon Telegraph & Telephone | 122924.3 | 223 | 8 | 60671.1 | 59279.0 | 2.3 | 4092.5 | 4775.5 | -14.3 | 2.7 | 257663 | 31/3/92 |
| 2 | *Mitsubishi Bank* | 77455.8 | 112 | | N/R | N/R | 0.0 | 1385.1 | 1874.0 | -26.1 | 1.9 | | 31/3/93 |
| 3 | Industrial Bank Of Japan | 72688.8 | 112 | | N/R | N/R | 0.0 | 782.3 | 1064.8 | -26.5 | 0.2 | | 31/3/93 |
| 4 | Dai-Ichi Kangyo Bank Ltd | 65981.9 | 112 | | N/R | N/R | 0.0 | 1132.3 | 1793.9 | -36.9 | 1.3 | 18849 | 31/3/93 |
| 5 | Sumitomo Bank Ltd | 65525.3 | 112 | | N/R | N/R | 0.0 | 738.0 | 2301.3 | -67.9 | 0.5 | 17710 | 31/3/93 |
| 6 | Fuji Bank Ltd | 63148.5 | 112 | | N/R | N/R | 0.0 | 993.5 | 1694.2 | -41.4 | 1.3 | 15953 | 31/3/93 |
| 7 | Toyota Motor Corporation | 61043.2 | 401 | 5 | 96371.8 | 93449.0 | 3.1 | 4057.0 | 6728.1 | -39.7 | 3.8 | 108167 | 30/6/92 |
| 8 | Sanwa Bank Ltd | 60232.2 | 112 | | N/R | N/R | 0.0 | 1819.4 | 1975.8 | -7.9 | 2.3 | | 31/3/93 |
| 9 | *Sakura Bank* | *50591.4* | *112* | | *N/R* | *N/R* | *0.0* | *1064.6* | *1429.0* | *-25.5* | 1.4 | 22274 | 31/3/93 |
| 10 | Tokyo Electric Power Co Inc | 41660.0 | 221 | 11 | 43591.2 | 41567.3 | 4.9 | 1326.9 | 1202.9 | 10.2 | 0.9 | | 31/3/92 |
| 11 | Nomura Securities Ltd | 36821.1 | 121 | | N/R | N/R | 0.0 | 405.7 | 2664.1 | -84.8 | 1.6 | 14198 | 31/3/92 |
| 12 | Bank Of Tokyo Ltd | 32245.0 | 112 | | N/R | N/R | 0.0 | 733.3 | 973.6 | -24.7 | 0.5 | | 31/3/93 |
| 13 | Matsushita Electric Indl Co | 28406.7 | 402 | 7 | 66905.6 | 70642.2 | -5.3 | 1596.4 | 3446.1 | -53.7 | 0.7 | 252075 | 31/3/93 |
| 14 | Asahi Bank | 26401.0 | 112 | | N/R | N/R | | 824.2 | 614.0 | 34.2 | 2.0 | 15208 | 31/3/92 |
| 15 | Kansai Electric Power Co Inc | 26185.3 | 221 | 21 | 22168.2 | 21287.7 | 4.1 | 1342.0 | 1040.4 | 29.0 | 1.7 | 25166 | 31/3/92 |
| 16 | Tokai Bank Ltd | 25583.4 | 112 | | N/R | N/R | 0.0 | 635.1 | 932.8 | -31.9 | 1.1 | 12319 | 31/3/93 |
| 17 | Hitachi Ltd | 25443.3 | 551 | 6 | 71459.9 | 73635.0 | -3.0 | 2226.9 | 3554.7 | -37.4 | 1.7 | 331505 | 31/3/93 |
| 18 | Seven-Eleven Japan Co Ltd | 23977.4 | 493 | 72 | 1725.4 | 1543.9 | 11.8 | 903.8 | 822.2 | 9.9 | 16.5 | 2013 | 28/2/93 |
| 19 | Long Term Credit Bank | 22916.8 | 112 | | N/R | N/R | 0.0 | 604.8 | 1191.5 | -49.2 | 0.1 | 3771 | 31/3/93 |
| 20 | Ito-yokado Co Ltd | 21003.7 | 493 | 18 | 28778.9 | 27715.5 | 3.8 | 1717.4 | 1930.9 | -11.1 | 5.9 | 33077 | 28/2/93 |
| 21 | Nippon Steel Corporation | 20775.5 | 633 | 17 | 30624.4 | 30429.2 | 0.6 | 989.1 | 1315.3 | -24.8 | 3.5 | | 31/3/92 |
| 22 | Toshiba Corporation | 20599.1 | 551 | 10 | 44778.9 | 44522.9 | 0.6 | 1089.1 | 2454.5 | -55.6 | 1.6 | 168000 | 31/3/92 |
| 23 | Mitsubishi Heavy Industries | 20546.2 | 592 | 20 | 26454.3 | 24325.8 | 8.8 | 1713.6 | 1488.8 | 15.1 | 6.8 | | 31/3/92 |
| 24 | Chubu Electric Power Co Inc | 20294.1 | 221 | 23 | 18266.7 | 17346.2 | 5.3 | 1132.4 | 543.5 | 108.3 | 1.7 | 20285 | 31/3/92 |
| 25 | Tokio Marine & Fire Ins | 18900.5 | 152 | | N/R | N/R | 0.0 | 387.3 | 1275.4 | -69.6 | 0.7 | 14000 | 31/3/92 |
| 26 | Mitsubishi Corporation | 17648.5 | 511 | 2 | 171834.3 | 187052.2 | -8.1 | 987.7 | 903.4 | 9.3 | 1.6 | 13602 | 31/3/92 |
| 27 | Mitsubishi Trust & Banking | 17164.0 | 122 | 40 | 11602.7 | 13890.3 | -16.5 | 518.6 | 586.5 | -11.9 | 2.5 | 6822 | 31/3/93 |
| 28 | Nissan Motor Co Ltd | 17007.1 | 401 | 9 | 58767.3 | 60856.6 | -3.4 | -536.2 | 1577.6 | | | 143754 | 31/3/93 |
| 29 | Daiwa Securities Ltd | 16606.9 | 121 | | N/R | N/R | 0.0 | -641.7 | 1288.7 | | | 12595 | 31/3/92 |
| 30 | Seibu Railway Co Ltd | 16475.9 | 304 | 61 | 4992.1 | 4681.0 | 6.6 | 63.7 | 75.3 | -15.4 | 0.2 | | 31/3/92 |
| 31 | Daiwa Bank | 16383.0 | 112 | | N/R | N/R | 0.0 | 360.7 | 600.2 | -39.9 | 1.5 | | 31/3/93 |
| 32 | Sumitomo Trust & Banking Co | 16152.7 | 112 | | N/R | N/R | 0.0 | 467.4 | 539.7 | -13.4 | 2.2 | 7708 | 31/3/93 |
| 33 | All Nippon Airways Co Ltd | 16142.7 | 301 | 51 | 8428.0 | 8297.7 | 1.6 | 94.2 | 195.0 | -51.7 | | 14631 | 31/3/93 |
| 34 | Sony Corporation | 15954.7 | 402 | 13 | 37126.8 | 34996.9 | 6.1 | 1869.7 | 2508.9 | -25.5 | 4.8 | 119000 | 31/3/92 |
| 35 | Nikko Securities Co Ltd | 15717.2 | 121 | | N/R | N/R | 0.0 | -69.7 | 869.8 | | | 10282 | 31/3/92 |
| 36 | Sharp Corporation | 14790.5 | 402 | 31 | 14302.3 | 14744.2 | -3.0 | 498.6 | 706.9 | -29.5 | 3.1 | 41836 | 31/3/93 |
| 37 | Tohoku Electric Power Co Inc | 14258.1 | 221 | 38 | 11785.8 | 10978.1 | 7.4 | 842.8 | 753.9 | 11.8 | 2.6 | 13519 | 31/3/92 |
| 38 | Honda Motor Co Ltd | 13940.6 | 401 | 12 | 39184.8 | 41644.8 | -5.9 | 839.8 | 1239.9 | -32.3 | 2.4 | 90900 | 31/3/93 |
| 39 | Fujitsu Ltd | 13928.4 | 531 | 15 | 32826.9 | 32637.5 | 0.6 | -92.5 | 393.9 | | | 161974 | 31/3/93 |
| 40 | Nec Corporation | 13896.5 | 551 | 14 | 33330.0 | 35784.6 | -6.9 | -357.4 | 487.8 | | | 140969 | 31/3/93 |
| 41 | Mitsui Trust & Banking | 13861.3 | 122 | 46 | 10529.6 | 11973.3 | -12.1 | 223.6 | 470.3 | -52.5 | 1.0 | | 31/3/93 |
| 42 | Nippondenso Co Ltd | 13426.4 | 571 | 30 | 14446.9 | 14046.8 | 2.9 | 909.7 | 1153.2 | -21.1 | 4.6 | 56718 | 31/12/92 |
| 43 | Tokyo Gas Co Ltd | 13295.8 | 222 | 55 | 7811.1 | 7385.0 | 5.8 | 485.2 | 217.2 | 123.4 | 2.8 | 12582 | 31/3/92 |
| 44 | Asahi Glass Co Ltd | 13194.0 | 591 | 33 | 12486.1 | 11834.6 | 5.5 | 470.8 | 691.2 | -31.9 | 2.7 | 9808 | 31/12/92 |
| 45 | Fuji Photo Film Co Ltd | 12974.3 | 463 | 45 | 10831.6 | 10595.8 | 2.2 | 1583.3 | 1807.0 | -12.4 | 6.7 | 24868 | 31/10/92 |
| 46 | Kinki Nippon Railway Co Ltd | 12972.6 | 304 | 53 | 8419.7 | 8185.1 | 2.9 | 268.7 | 230.3 | 16.7 | 2.9 | | 31/3/92 |
| 47 | Mitsubishi Estate Ltd | 12892.5 | 161 | | N/R | N/R | 0.0 | 795.5 | 848.9 | -6.3 | 3.0 | 1956 | 31/3/92 |
| 48 | Kirin Brewery Co Ltd | 12774.1 | 421 | 54 | 8291.6 | 7796.0 | 6.4 | 965.6 | 930.3 | 3.8 | 6.7 | 8086 | 31/12/92 |
| 49 | Nintendo Co Ltd | 12646.9 | 462 | 60 | 5327.5 | 4470.1 | 19.2 | 1714.7 | 1532.1 | 11.9 | 26.5 | | 31/3/92 |
| 50 | Kyushu Electric Power Co Inc | 12376.0 | 221 | 36 | 11965.5 | 11499.5 | 4.1 | 784.1 | 797.6 | -1.7 | 1.6 | 13755 | 31/3/93 |
| 51 | Dai Nippon Printing Co Ltd | 12286.5 | 471 | 37 | 11799.3 | 11091.6 | 6.4 | 927.0 | 922.1 | 0.5 | 5.7 | | 31/3/92 |
| 52 | Japan Air Lines Co Ltd | 12212.5 | 301 | 35 | 12173.2 | 13095.1 | -7.0 | -520.5 | -107.4 | 384.7 | | 21991 | 31/3/93 |
| 53 | Osaka Gas Co Ltd | 12082.1 | 222 | 59 | 6330.0 | 6029.3 | 5.0 | 445.9 | 357.5 | 24.7 | 3.4 | 9033 | 31/3/92 |
| 54 | *Bank Of Yokohama Ltd* | 11968.6 | 112 | | *N/R* | *N/R* | *0.0* | 196.3 | *304.0* | *-35.4* | *0.8* | *6196* | *31/3/93* |
| 55 | Shizuoka Bank Ltd | 11735.6 | 112 | | N/R | N/R | 0.0 | 382.8 | 387.2 | -1.2 | 5.0 | 5276 | 31/3/92 |
| 56 | Sankyo Co Ltd | 11459.8 | 433 | 62 | 4920.7 | 4555.7 | 8.0 | 681.3 | 554.6 | 22.8 | 9.9 | | 31/3/93 |
| 57 | Mitsui & Co Ltd | 11426.0 | 511 | 4 | 162681.0 | 169106.0 | -3.8 | 607.5 | 764.8 | -20.6 | 0.6 | 11528 | 31/3/93 |
| 58 | Mitsubishi Electric Corporation | 11408.9 | 551 | 16 | 31701.8 | 31445.5 | 0.8 | 1027.8 | 1734.2 | -40.7 | 2.5 | 102704 | 31/3/92 |
| 59 | Takeda Chemical Industries Ltd | 11356.3 | 433 | 56 | 6828.6 | 6729.4 | 1.5 | 882.1 | 812.9 | 8.5 | 7.4 | 15781 | 31/3/93 |
| 60 | Nippon Express Ltd | 10888.8 | 302 | 26 | 16631.7 | 14435.3 | 15.2 | 681.7 | 523.8 | 30.1 | 5.8 | 51655 | 31/3/92 |
| 61 | Kyocera Corporation | 10858.7 | 551 | 66 | 4092.5 | 4300.2 | -4.8 | 466.5 | 549.8 | -15.2 | 4.6 | | 31/3/93 |
| 62 | Canon Inc | 10556.8 | 534 | 24 | 18153.0 | 17721.6 | 2.4 | 963.7 | 1388.8 | -30.6 | 3.2 | 67227 | 31/12/92 |
| 63 | Nippon Credit Bank Ltd | 10202.3 | 112 | | N/R | N/R | 0.0 | 335.2 | 742.8 | -54.9 | 0.2 | | 31/3/93 |
| 64 | Yasuda Trust & Banking | 10030.7 | 121 | | N/R | N/R | 0.0 | 395.4 | 518.4 | -23.7 | 2.7 | 5963 | 31/3/92 |
| 65 | Tonen Corporation | 9809.2 | 214 | 58 | 6465.8 | 7520.8 | -14.0 | 290.2 | 332.2 | -12.6 | 4.2 | | 31/12/92 |
| 66 | Mitsui Fudosan Co Ltd | 9763.4 | 161 | | N/R | N/R | 0.0 | 514.1 | 755.0 | -31.9 | 1.6 | 9968 | 31/3/92 |
| 67 | *Kawasaki Steel Corporation* | *9557.9* | *633* | *34* | *12423.8* | *13071.8* | *-5.0* | *81.0* | *381.5* | *-78.8* | | | *31/3/93* |
| 68 | Chugoku Electric Power Co Inc | 9520.5 | 221 | 48 | 9289.9 | 8985.9 | 3.6 | 540.3 | 616.4 | -12.3 | 1.5 | 10957 | 31/3/93 |
| 69 | Asahi Chemical Industry Co Ltd | 9464.3 | 622 | 39 | 11682.2 | 12382.8 | -5.7 | 340.8 | 576.2 | -40.9 | 2.6 | 28334 | 31/3/93 |
| 70 | Bridgestone Corporation | 9370.3 | 574 | 27 | 16548.1 | 16725.6 | -1.1 | 855.9 | 811.7 | 5.5 | 3.5 | 85635 | 31/12/92 |
| 71 | Sumitomo Corporation | 9154.3 | 633 | 3 | 170936.5 | 189044.7 | -9.6 | 466.9 | 755.5 | -38.2 | 1.3 | | 31/3/93 |
| 72 | Nippon Oil Co Ltd | 9009.4 | 214 | 19 | 26792.8 | 23613.5 | 13.5 | 843.9 | 770.1 | 9.6 | 3.3 | 10997 | 31/3/92 |
| 73 | *Nkk Corporation* | 8887.4 | 633 | 25 | 17623.7 | 18314.8 | -3.8 | -111.3 | 147.4 | | | | 31/3/93 |
| 74 | Sumitomo Metal Industries Ltd | 8858.0 | 634 | 28 | 16001.8 | 17239.6 | -7.2 | 0.6 | 431.4 | -99.9 | 0.1 | 22089 | 31/3/93 |
| 75 | Sekisui House Ltd | 8662.5 | 614 | 42 | 11317.6 | 10883.5 | 4.0 | 707.6 | 877.4 | -19.4 | 4.0 | 13205 | 31/01/93 |
| 76 | Tokyu Corporation | 8639.5 | 304 | 65 | 4235.5 | 3983.8 | 6.3 | 129.4 | 136.0 | -4.8 | 0.3 | | 31/3/92 |
| 77 | Sumitomo Electric Industries | 8590.0 | 541 | 44 | 10973.2 | 10560.6 | 3.9 | 561.8 | 642.8 | -12.6 | 5.1 | 14833 | 31/3/92 |
| 78 | Toyo Trust & Banking Co | 8570.4 | 121 | | N/R | N/R | 0.0 | 310.1 | 435.1 | -28.7 | 2.5 | 5589 | 31/3/92 |
| 79 | Ajinomoto Co Inc | 8488.2 | 451 | 57 | 6517.2 | 6422.2 | 1.5 | 281.3 | 211.1 | 33.2 | 2.2 | 11891 | 31/3/93 |
| 80 | *Kubota Corporation* | *8388.2* | *565* | *50* | *8917.0* | *8621.2* | *3.4* | *166.8* | *349.7* | *-52.3* | *1.1* | | *31/3/93* |
| 81 | Fanuc Ltd | 8339.3 | 552 | 73 | 1513.6 | 1788.2 | -15.4 | 502.9 | 674.2 | -25.4 | 7.0 | | 31/3/92 |
| 82 | Sanyo Electric Co Ltd | 8325.7 | 402 | 29 | 14847.2 | 15322.3 | -3.1 | 5.3 | 378.4 | -98.6 | | 56156 | 30/11/92 |
| 83 | Toppan Printing Co Ltd | 8308.7 | 471 | 43 | 11141.0 | 10073.2 | 10.6 | 834.0 | 739.3 | 12.8 | 5.9 | 25416 | 31/3/92 |
| 84 | Itochu Corporation | 8285.0 | 511 | 1 | 182796.7 | 195433.9 | -6.5 | 181.7 | 370.9 | -51.0 | 0.1 | 7449 | 31/3/93 |
| 85 | Tostem Corporation | 8255.7 | 611 | 63 | 4811.4 | 4775.9 | 0.7 | 350.4 | 322.1 | 8.8 | 4.0 | 12563 | 31/3/93 |
| 86 | Toray Industries Inc | 8084.3 | 621 | 49 | 9261.7 | 8696.6 | 6.5 | 538.2 | 616.1 | -12.6 | 4.3 | | 31/3/92 |
| 87 | Chiba Bank Ltd | 8039.9 | 112 | | N/R | N/R | 0.0 | 302.5 | 299.3 | 1.1 | 3.0 | | 31/3/93 |
| 88 | Sega Enterprises Ltd | 7998.7 | 462 | 68 | 2348.5 | 1087.5 | 116.0 | 323.3 | 181.8 | 77.9 | 8.1 | 2324 | 31/3/92 |
| 89 | Matsushita Electric Works Ltd | 7772.8 | 541 | 47 | 10075.2 | 10220.7 | -1.4 | 433.1 | 803.6 | -46.1 | 2.4 | 27889 | 30/11/92 |
| 90 | Yamanouchi Pharmaceutical Co | 7624.5 | 433 | 67 | 3389.8 | 3389.6 | 0.0 | 732.9 | 710.4 | 3.2 | 6.3 | 3854 | 31/3/93 |
| 91 | Kokusai Denshin Denwa Co Ltd | 7557.2 | 223 | 69 | 2318.3 | 2282.6 | 1.6 | 246.8 | 246.4 | 0.2 | 3.9 | | 31/3/92 |
| 92 | Kajima Corporation | 7547.5 | 613 | 22 | 20857.7 | 17981.0 | 10.0 | 1170.0 | 946.7 | 23.6 | 8.1 | 13815 | 31/3/92 |
| 93 | Kobe Steel Ltd | 7528.0 | 633 | 32 | 13800.5 | 13800.8 | 0.0 | 499.3 | 503.5 | -0.8 | 2.3 | 267097 | 31/3/92 |
| 94 | Daiwa House Industry Co Ltd | 7527.9 | 614 | 52 | 8423.7 | 7072.9 | 9.8 | 939.5 | 953.4 | -1.6 | 6.2 | | 31/3/92 |
| 95 | Taisho Pharmaceutical Co Ltd | 7497.0 | 433 | 71 | 1803.2 | 1643.5 | 9.7 | 505.1 | 441.2 | 14.5 | 11.9 | 4400 | 31/3/92 |
| 96 | Mitsubishi Kasei Corporation | 7473.3 | 621 | 41 | 11531.7 | 11985.3 | -3.8 | 114.1 | 344.6 | -66.9 | 0.3 | 9685 | 31/3/92 |
| 97 | Shikoku Electric Power Co Inc | 7395.9 | 221 | 64 | 4701.1 | 4319.7 | 8.8 | 466.2 | 426.7 | 9.2 | 2.7 | 5834 | 31/3/93 |
| 98 | Joyo Bank Ltd | 7364.7 | 112 | | N/R | N/R | 0.0 | 269.0 | 325.1 | -17.2 | 3.5 | 4981 | 31/3/93 |
| 99 | Secom Co Ltd | 7359.2 | 461 | 70 | 2061.6 | 1795.5 | 14.8 | 296.9 | 259.4 | 14.5 | 5.3 | | 31/3/92 |
| 100 | Hachijuni Bank | 7268.0 | 112 | | N/R | N/R | 0.0 | 257.9 | 241.3 | 6.9 | 4.4 | 3951 | 31/3/92 |

## ■ Top 100 Japanese companies by market capitalisation

NT&T is ranked first in the world



Mitsubishi Bank is number two in Japan

Tatsuro Toyoda, president of Toyota (seventh)











■ FRANCE

# The tables have now turned

Large companies have just ended another year of slack domestic demand. Consumer confidence was depressed by high real interest rates and fears of rising unemployment, writes **Alice Rawsthorn**

Almost all the winners among the French contenders in last year's version of the FT500 were from manufacturing and most of the losers were from finance.

This year, the tables have turned. France's financial groups, notably Union des Assurances de Paris (UAP), Axa and Assurances Générales de France (AGF) in insurance, succeeded in improving their standing in the FT500 during 1993, having slipped down the index in the previous year. Several of the earlier manufacturing winners, such as L'Oréal in cosmetics and BSN in food, lost ground last year.

The performance of the French corporate sector was scarcely scintillating in 1993. Elf Aquitaine, the oil group which is not only the biggest single company in France but the next candidate for sale in the Balladur government's privatisation drive, slipped from 16th to 17th place. Even successful stocks, such as the insurers, saw their shares rise *not* on a strong performance in 1993 but in anticipation of recovery in 1994 and 1995.

The companies quoted on the CAC 40 index have just ended their fourth successive year of earnings decline, as illustrated by the recent round of profits warnings and gloomy corporate statements that have emanated from the shareholders' meetings of the large French groups. Mr David Harrington, French market analyst at James Capel in Paris, estimates that the CAC 40 companies suffered a 25 per cent reduction in net earnings during 1993.

The reasons for this pedestrian performance are all too obvious. The Balladur government has, like its socialist predecessor, persistently resisted the temptation to regenerate the economy by accelerating interest rate reduction in favour of pursuing its *franc fort* policy of protecting the French currency.

As a result, the economy slipped into recession during the first quarter of 1993 and remained stubbornly sluggish for the rest of the year. France's large companies have just ended yet another year of slack domestic demand as consumer confidence was depressed by the impact of high real interest rates and fears of rising unemployment.

Companies in the consumer products sector slipped down the FT500 partly because of concern about the strength of the domestic market. BSN, the food group, tumbled from 30 to 53 in a year in which the retail market became so competitive that it was forced to cut the prices of some products to maintain market share.

Media groups also lost ground. Havas, which has extensive interests in advertising and publishing, fell from 128 to 153 on concern about the condition of the French advertising market and the impact of the recession on its travel business. Canal-Plus, the pay-TV group which was once a star of the stock market, was hit by fears about the impact of the Balladur government's forthcoming media reforms, culminating in its recent profits warning for 1994. It fell from 102 to 129.

Other French companies were affected by concern about their international interests. Despite their domestic difficulties, the French continued to fare well on the foreign front until early 1993 when the impact of the franc's strength following the European currency crisis in autumn 1992 became a significant handicap to international competitiveness.

The strong franc not only depressed the reported profits from foreign subsidiaries, but also made it more difficult for French businesses to compete in their export markets. A number of the most prominent losers among the manufacturers in last year's FT500 are companies that had, in the past, fared well on the export front.

LVMH, the luxury goods group with interests across the drinks and fashion industries, has been badly affected by the problems of the global champagne market, the instability of the Japanese economy and the difficulties of Guinness, its UK associate. It fell from 31 to 51 in the FT500 during 1993 after reporting reduced interim profits and warning of a further fall in earnings for the full financial year.

Peugeot-Citröen, the motor company, was dogged by concern about the fragility of the European car market. It slipped from 84 to 100 during a grim year in which it plunged into the red during the interim period. Peugeot said that, without the negative swing in exchange rates, it would have stayed in the black in the first half.

But its problems pale beside those of Euro Disney, the leisure group that dived down the FT500 from 184 to 307 as speculation mounted about the prospects for its emergency financial rescue plan. Euro Disney, which reported a net loss of FFr5.3bn for the year to September 30, looks like a *microcosm of all the problems of the* French corporate scene with the recession reducing the expenditure of its French customers and the strong franc making it more difficult to drum up business from other countries.

Yet some French groups did succeed in shrugging off the gloom of 1993. Retailing was one of the year's stronger sectors

Continued on next page

■ **Leading French companies by market capitalisation**

| | Company | $m | FT500 Rank | Sector |
|---|---|---|---|---|
| 1 | Elf Aquitaine | 18743.6 | 17 | 212 |
| 2 | Alcatel Alsthom | 18494.6 | 18 | 533 |
| 3 | Total | 12037.0 | 35 | 212 |
| 4 | Generale des Eaux | 11690.0 | 40 | 221 |
| 5 | L'Oreal | 11658.0 | 42 | 432 |
| 6 | LVMH | 10480.5 | 51 | 422 |
| 7 | BSN Groupe | 10242.8 | 53 | 461 |
| 8 | U.A.P. | 9585.5 | 58 | 151 |
| 9 | Suez (Compagnie Financiere de) | 9099.4 | 62 | 112 |
| 10 | Societe Generale | 8984.2 | 64 | 112 |
| 11 | Axa | 8418.7 | 68 | 171 |
| 12 | *L'Air Liquide* | 7865.3 | 72 | 621 |
| 13 | Paribas | 7790.5 | 73 | 112 |
| 14 | Carrefour | 7696.7 | 75 | 493 |
| 15 | Rhone-Poulenc | 7279.7 | 79 | 622 |
| 16 | AGF | 7189.2 | 80 | 151 |
| 17 | Saint-Gobain | 7027.5 | 81 | 611 |
| 18 | Peugeot | 5786.4 | 100 | 401 |
| 19 | Lyonnaise des Eaux-Dumez | 4634.5 | 126 | 221 |
| 20 | Canal + | 4543.8 | 129 | 474 |
| 21 | Lafarge Coppee | 4370.3 | 131 | 611 |
| 22 | GAN | 4033.4 | 141 | 151 |
| 23 | Elf Sanofi | 3808.8 | 152 | 433 |
| 24 | *Havas (Agence)* | *3784.7* | *153* | *475* |
| 25 | Michelin | 3444.1 | 162 | 574 |
| 26 | Pernod Ricard | 3430.2 | 164 | 422 |
| 27 | Schneider SA | 3417.3 | 166 | 171 |
| 28 | Eridania Beghin-Say | 3312.7 | 172 | 451 |
| 29 | Thomson-CSF | 3211.6 | 176 | 551 |
| 30 | *Pechiney International* | *3045.6* | *187* | *672* |
| 31 | Promodes | 2828.6 | 201 | 491 |
| 32 | CarnaudMetalbox | 2802.3 | 205 | 671 |
| 33 | Credit Local de France | 2743.5 | 209 | 122 |
| 34 | Cetelem | 2696.2 | 210 | 112 |
| 35 | Accor | 2691.8 | 211 | 464 |
| 36 | Credit Comm de France | 2635.0 | 215 | 112 |
| 37 | Institut Merieux | 2630.4 | 216 | 433 |
| 38 | Navigation Mixte | 2621.7 | 218 | 171 |
| 39 | Valeo | 2515.0 | 226 | 571 |
| 40 | Roussel-Uclaf | 2397.4 | 234 | 622 |



At Telefonica, the government maintains its control over domestic communications with a 32 per cent shareholding

gic alliances and foreign acquisitions.

The Spanish company announced last *month that it was undertaking "intensive* co-operation" with Unisource, and this is viewed as a first step towards taking an equity stake in the joint venture that links the telecom companies of the Netherlands, Sweden and Switzerland. Meanwhile, Telefonica is establishing itself in Latin America, where it has holdings in telecom operators in Chile, Argentina and Puerto Rico.

Repsol continues to be highly profitable. It reported a 27.5 per cent rise in operating *profits to Pta112.6bn in the first nine* months of last year, brought its chemical division back into profit in the third quarter, and posted a 63 per cent profit increase to Pta27bn for Gas Natural, the gas supplier which it controls and 45 per cent owns. Repsol's healthy balance sheet is more than useful as it prepares to have the group acquire, through Gas Natural, the government-owned distributor Enagas in a deal worth more than Pta80bn.

■ **Spanish companies by market capitalisation**

| | Company | $m | FT500 rank | Sector |
|---|---|---|---|---|
| 1 | Telefonica | 11118.6 | 45 | 223 |
| 2 | Endesa | 10595.4 | 48 | 221 |
| 3 | Repsol | 8732.3 | 66 | 212 |
| 4 | Banco Bilbao Vizcaya | 6060.3 | 92 | 112 |
| 5 | Banco de Santander | 5721.9 | 101 | 112 |
| 6 | Iberdrola | 5399.8 | 106 | 221 |
| 7 | Argentaria | 5248.8 | 107 | 112 |
| 8 | Banco Central Hispanoamericano | 5038.5 | 113 | 112 |
| 9 | Banco Popular Espanol | 3497.7 | 160 | 112 |
| 10 | Banco Exterior | 3321.2 | 171 | 112 |
| 11 | Banesto Group | 3139.8 | 184 | 112 |
| 12 | Gas Natural | 2143.7 | 260 | 222 |
| 13 | Centros Comerciales Pryca | 2087.4 | 264 | 493 |
| 14 | Autopistas | 2013.0 | 273 | 304 |
| 15 | Fomento de Construcciones | 1745.2 | 312 | 611 |
| 16 | Compania Espanola de Pet. | 1506.5 | 356 | 214 |
| 17 | Bankinter | 1343.1 | 398 | 112 |
| 18 | Sevillana de Electricidad | 1221.5 | 419 | 221 |
| 19 | *Mapfre (Corp)* | *1139.6* | *438* | *151* |
| 20 | Fecsa | 1080.1 | 449 | 221 |
| 21 | Union Electrica-Fenosa | 1075.7 | 451 | 221 |
| 22 | Tabacalera | 1054.9 | 464 | 425 |
| 23 | Dragados y Construcciones | 933.5 | 496 | 613 |

# Since 1992, the tables have been turned

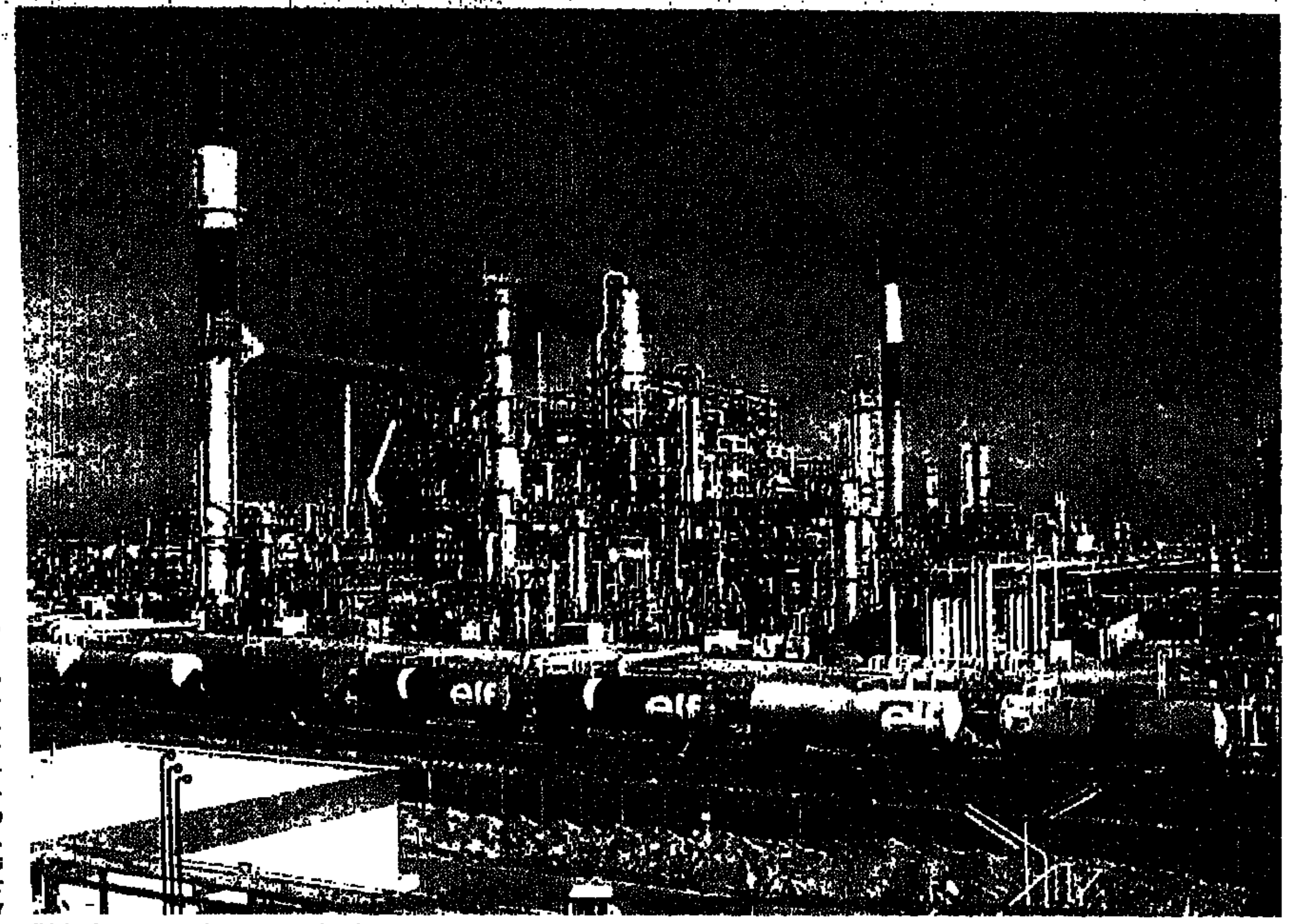
Continued from page 17

despite the strains on consumer spending and the poor results of a number of big companies. Carrefour, the hypermarket chain, and Promodes, the mail order concern, both managed to move up the FT500.

Similarly, the large insurers fared well in the face of lacklustre results. UAP edged up to 58 in anticipation of its forthcoming privatisation. Its shares were bolstered by a modest improvement in its 1993 results and the expectation of further progress next year. Axa and AGF also rose in the index – from 95 to 68 and from 110 to 80 respectively – on recovery hopes.

Investors clearly consider the worst is over, not only for the large French insurers, but the rest of the corporate sector. The economy is still in a fragile state – and its prospects for recovery will be complicated by the condition of trading partners such as Germany – but analysts do expect to see some improvement this year.

James Capel has pencilled in increases in CAC 40 net earnings of 28 per cent for 1994 and 29 per cent for 1995, thereby marking the end of four years of decline.



Elf Aquitaine, France's next candidate for sale in the Balladur government's privatisation drive, slipped from 16th to 17th

■ ITALY

# Privatisation spurs equities market

The improvement in the country's position in the FT500 this year is explained by a combination of a substantial rise in share prices and some large capital increases, writes **David Lane**

One of the FT500's second division countries, Italy did better in 1993. The list shows a net gain of two Italian companies to a total of 25, with six arrivals against four departures. And of the 19 listed in 1992, 16 moved upwards in the new table. Indeed, three leapt more than 100 places.

The improvement in the Italian position is explained by a combination of a substantial rise in share prices and some large capital increases. These more than compensated for the lira's steep depreciation against the dollar, in which company capitalisation is measured, from about L1,300 at the beginning of October 1992 to almost L1,600 at the end of September 1993.

Share price indices show that it was, overall, a good year to be invested in Italian equities. When the market closed on September 30 1993, the Comit general index (1972 base=100) stood at 596, compared with 364 a year before. While the rise of 63.7 per cent left the index considerably short of the 908 high reached in May 1986, it regained all the ground lost between the beginning of October 1991, when it stood at 539, and the end of September 1992.

A substantial part of the price recovery occurred during autumn 1992, with the Comit general index rising 22.5 per cent in the final quarter to 446. However, the improvement continued strongly in the first nine months of 1993, with the index gaining 33.6 per cent. The MIB general index, which is reset to 1,000 at the beginning of each year, stood at 1,310 on 30 September 1993.

Why have Italian stocks excelled? In common with other equity markets, Italy has benefited from the sharp drop in interest rates that has led savers to seek alternatives to bank deposits and government securities.

While inflation stood at just over 5 per cent in September 1992, the average interest rate on treasury bills was nearly 18 per cent, and certificates of deposit were yielding around 12 per cent. Real returns have plummeted. In the 12 months to September 1993, rates on treasury bills plunged to just over 9 per cent, and rates on certificates of deposit fell to 8 per cent, while inflation was less than one percentage point lower at a little over 4 per cent.

Attilio Ventura, chairman of the Italian Stock Exchange Council, noted the change in savings patterns when he addressed the Federation of European Stock Exchanges at the end of October. "In the past few months, record amounts of money have flowed into mutual funds. Purchases of Italian shares by these funds have increased from L100bn in the last quarter of 1992 to L700bn in the quarter just ended in September."

Trading volumes and values have reflected the increased interest in equities. In August, September and October 1992, the average daily values of transactions on the Italian stock market were L111bn, L90bn and L156bn respectively. The average daily value in the first nine months of 1993 was L390bn, with high points of L455bn and L574bn in August and September.

The Italian government's privatisation programme has helped stimulate the equities market. The start was made with the Amato government's announcement, in September 1992, that Credito Italiano (the retail bank controlled by the IRI state holding corporation) and Nuovo Pignone (the mechanical engineering company owned by the ENI state hydrocarbons holding) were to be sold.

Privatisation progress has sometimes faltered. But the recent successful public offer of Credito Italiano shares, the sale of two divisions of IRI's stock market-quoted SME food and retailing group, and the imminent public offers of shares in Banca Commerciale Italiana, the Treasury-controlled IMI financial conglomerate and insurer INA suggest that substantial privatisation will be a reality.

The price of Credito Italiano's shares rose sharply when the bank's privatisation was announced, moving from L1,743 to L3,160 during the last quarter of 1992. It subsequently slipped back, but was nevertheless nearly 52 per cent higher at L2,643 on September 30 1993 than it had been 12 months before. The price of Banca Commerciale Italiana's shares rose 71.2 per cent from L2,838 to L4,858 in the year to September 30 1993, an improvement that lifted it to 219th place in the FT500, from 250th in 1992.

Even more impressive was the performance of shares in IRI-controlled telecommunications companies, with the prices of Sip and Stet increasing more than 300 per cent to L3,677 and L4,405 respectively. It is not surprising that these two stocks moved firmly up, the former from 149 to 43 (to be ranked the second Italian) and the latter from 136 to 65. Sip and Stet have been among the most active, together accounting for around 11 per cent of total trading value in the year to September 30.

According to Mr Ventura, "the vast privatisation programme introduced by the government will have a triple effect: an increase in the number of Italian shareholders, an increase in the number of companies listed on the exchange and an increase in the float of state-owned companies already listed."

One-third of industrial activity and two-thirds of the banking and financial sectors are controlled directly or indirectly by the state, and state-owned companies account for over a third of the market capitalisation of the Italian stock exchange.

But private-sector stocks have not been forgotten. Shareholders in Fiat, whose ordinary shares account for about 9 per cent of total trading, saw the share price bounce back from L3,460 on September 30 1992 to L5,648 one year later. There was also a small improvement in Fiat's FT500 ranking, from 94 to 85.

Fiat's Toro insurance subsidiary performed well, improving 70 places in the list from 429 to 359. The other Italian insurers in the FT500 also earned higher rankings. Generali remained the top Italian company, in 20th place, having been ranked 23rd in 1992. (Shareholders saw the price rise from just over L20,000 to nearly L40,000 during the year.)

Alleanza, RAS and SAI won higher places, while Fondiaria entered the rankings at 270. State-owned Assitalia, whose shares were subject to a purchase offer at the end of 1993 prior to the privatisation of its INA parent, crept into the rankings at 499.

Having slipped ignominiously from the FT500 in 1992, Olivetti makes a reappearance in 363rd place for 1993. However, although shareholders have seen the share price move upwards, it has underperformed against the indices, and they were asked to subscribe to a substantial capital increase during the year, while seeing losses worsen.

■ **Italian companies by market capitalisation**

| | Company | $m | FT500 rank | Sector |
|---|---|---|---|---|
| 1 | Generali (Assicurazioni) | 18347.3 | 20 | 151 |
| 2 | SIP | 11512.0 | 43 | 223 |
| 3 | STET | 8790.5 | 65 | 171 |
| 4 | Fiat | 6446.6 | 85 | 401 |
| 5 | Alleanza | 6090.2 | 90 | 151 |
| 6 | RAS | 3442.5 | 163 | 151 |
| 7 | Mediobanca | 3361.4 | 168 | 121 |
| 8 | Banca Commerciale Italiana | 2604.7 | 219 | 112 |
| 9 | Credito Italiano | 2184.3 | 256 | 112 |
| 10 | Fondiaria | 2022.8 | 270 | 151 |
| 11 | SAI | 1752.0 | 309 | 151 |
| 12 | Italgas | 1661.8 | 324 | 222 |
| 13 | Pirelli Spa | 1552.5 | 348 | 574 |
| 14 | Toro (Assicurazioni) | 1491.6 | 359 | 151 |
| 15 | Olivetti | 1477.5 | 363 | 534 |
| 16 | Gemina | 1476.4 | 364 | 131 |
| 17 | Parmalat | 1409.3 | 382 | 451 |
| 18 | Sirti | 1402.9 | 383 | 533 |
| 19 | Banco Ambrosiano Veneto | 1335.3 | 400 | 112 |
| 20 | SME | 1206.3 | 429 | 451 |
| 21 | IFIL | 1063.0 | 457 | 171 |
| 22 | Rinascente (La) | 1062.6 | 458 | 491 |
| 23 | Italcable | 1061.4 | 460 | 223 |
| 24 | Montedison | 1033.8 | 468 | 622 |
| 25 | Assitalia | 932.1 | 490 | 151 |





IBM's decline to 25th by market capitalisation is one of the most dramatic examples of changing corporate fortune highlighted in the FT's table of top American companies

■ UNITED STATES

# Chrysler accelerates as GM changes gear

The table of top US companies graphically underlines the way in which different companies have responded to the technological and competitive challenges reshaping the business landscape, writes **Martin Dickson**

Just two years ago the largest American company, ranked by market capitalisation, was that long-time bellwether of US stock market sentiment, International Business Machines.

Today, IBM ranks a mere 25th in the FT's table of top US companies, and its market capitalisation has more than halved from 1990's $62bn to today's $24bn, following a plunge in the company's share price in 1992 and early 1993.

Behind the plunge lay a sudden realisation that IBM was facing serious structural problems, notably shrinking demand for mainframe computers – a sector it dominates – and fierce competition from low-cost rivals in the personal computer market, which has snatched much of the mainframe's business.

IBM now ranks behind Intel, the world's largest computer chip manufacturer, which is 17th in the FT table. Ironically, Intel owes its lofty position in no small measure to IBM, thanks to the company's decision in 1980 to use one of Intel's microprocessors at the heart of its first personal computer. The design went on to become an industry standard.

Similarly, Microsoft, the leading American computer software manufacturer, which ranks 27th, got its big break when IBM chose the then tiny company to provide the operating software for its first PC.

IBM's decline is one of the most dramatic examples of changing corporate fortune in the FT's table of top American corporations.

The table – the first American rankings published by the paper as part of its annual FT500 survey – graphically underlines the way in which different US companies have responded to the technological and competitive challenges which have been reshaping the American business landscape.

Part of IBM's problem has been a complacent, inward-looking corporate culture – the result of its industrial dominance in the 1960s and 1970s – which prevented it from seeing just how rapidly the computer sector's micro-processor revolution was undermining its competitiveness.

A similar complacency characterised General Motors, America's largest industrial employer, for many years, allowing Japanese competitors to cut deep into its share of the US car market. After several years of heavy losses, it is now in the throes of a difficult restructuring aimed at cutting its costs to match its much reduced market position.

Its problems, which will take years to solve, are reflected in its modest 16th place in the FT rankings, giving it a market capitalisation of $30bn.

It ranks just six places ahead of the substantially smaller Ford Motor, capitalised at $27bn, which moved much earlier to cut its US costs and improve plant productivity.

Chrysler, the smallest of Detroit's Big Three, ranks 46th, with a market capitalisation of $17bn, which represents a huge improvement for a company that in 1990 appeared in danger of financial crisis, facing the start of a US recession with a tired product line. At that time, its market capitalisation was just $4bn and it ranked around 150th among leading companies.

However, over the past two years Chrysler has staged a remarkable recovery, both in profitability and share price performance, as it has introduced a succession of excitingly styled, well-selling new models.

General Electric owes its position as America's largest company to the success of its top management, notably Mr Jack Welch, the chairman, in preventing a spirit of complacency spreading within an organisation which has long been one of the nation's industrial giants.

When Mr Welch took over as GE chairman in the early 1980s, he realised that, despite the organisation's apparent success, its hodge-podge of businesses was ill-equipped to compete in a world of intensifying global competition.

He slashed staff, bought and sold divisions, and transformed the group's business culture, with the aim of giving the organisation the attitudes of a small, nimble, entrepreneurial company. The result has been strong productivity and earnings growth for much of the past decade. The leading US oil companies have long enjoyed a prominent position among America's largest companies, with their precise positions depending in considerable measure on the fluctuations in the price of crude oil and gasoline.

The weak global oil market has recently held back the earnings of the US majors, though their share price performance appears to have been bolstered over the past year by their high dividend yields, against a background of falling interest rates.

Exxon, long the largest of the group, is ranked second in the FT table, with Mobil following in ninth position, Chevron 11th and Amoco 19th.

One of the most dramatic industrial developments in the US over the past year has been a spate of takeover bids in the telecommunications and media businesses, as companies jockey for position ahead of the much-heralded multimedia information technology revolution.

A leading participant in this unheaval is American Telephone and Telegraph, the long-distance telecommunications and computer company, which is by far the largest US company in the sector, ranking third in the FT table, with a market capitalisation of $79bn.

The next largest in the sector is GTE, the telecommunications company that serves markets scattered across the US. It ranks seventh, with a market capitalisation of $36bn, ahead of the largest "Baby Bell" local phone company, BellSouth, which is capitalised at $30bn and ranks 15th. The "Baby Bells" are so-called because they were spun off from AT&T in 1984.

Among retailing companies, Wal-Mart Stores, the discount chain based in Arkansas, continues to consolidate its position as the biggest powerhouse in the sector, expanding its square footage across the US with its successful formula of low prices, good customer relations and efficient back-office operations. It ranks fourth in the FT table, with a market capitalisation of nearly $57bn, up from around $27bn in 1990, when it was about the 10th largest company in the nation.

■ **A-Z list of the US top 100**

| A | RANK |
|---|---|
| Abbott Laboratories | 28 |
| Albertson's Inc | 64 |
| AlliedSignal Inc | 62 |
| Allstate Corp | 57 |
| American Express | 44 |
| American Home Products Corp | 37 |
| American International Group | 13 |
| American Tele & Telegraph | 3 |
| Ameritech Corp | 26 |
| Amoco Corp | 19 |
| Anheuser- Busch Cos Inc | 67 |
| Atlantic Richfield Co | 41 |
| **B** | **RANK** |
| Banc One Corp | 58 |
| Bankamerica Corp | 48 |
| Bell Atlantic Corp | 21 |
| Bellsouth Corp | 15 |
| Berkshire Hathaway Inc | 35 |
| Boeing Co | 61 |
| Bristol Myers Squibb | 18 |
| **C** | **RANK** |
| Campbell Soup Co | 85 |
| Capital Cities/ ABC Inc | 87 |
| Chemical Banking Corp | 71 |
| Chevron Corp | 11 |
| Chrysler Corp | 46 |
| Citicorp | 56 |
| Coca-Cola Co | 5 |
| Consolidated Edison of NY | 89 |
| **D** | **RANK** |
| Disney ( Walt) Company | 33 |
| Dow Chemical | 47 |
| Du Pont ( E. I.) De Nemours | 12 |
| Duke Power Co | 94 |
| Dun & Bradstreet Corp | 73 |
| **E-F** | **RANK** |
| Eastman Kodak Co | 34 |
| Emerson Electric Co | 59 |
| Exxon Corp | 2 |
| Fed Home Loan Mtg Co | 90 |
| Federal Natl Mortgage Assn | 31 |
| Ford Motor Co | 22 |
| **G** | **RANK** |
| General Electric Co | 1 |
| General Mills Inc | 88 |
| General Motors Corp | 16 |
| General Re Corp | 80 |
| Gillette Co | 66 |
| GTE Corp | 7 |
| **H** | **RANK** |
| Heinz ( H.J.) Co | 91 |
| Hewlett-Packard Co | 43 |
| Home Depot Inc | 45 |
| **I-J** | **RANK** |
| Intel Corp | 17 |
| Intl Business Machines Corp | 25 |
| ITT Corp | 72 |
| Johnson & Johnson | 23 |
| **K-L** | **RANK** |
| K Mart Corp | 84 |
| Kellogg Co | 70 |
| Lilly ( Eli) & Co | 54 |
| **M** | **RANK** |
| Martin Marietta Corp | 98 |
| May Department Stores Co | 76 |
| McCaw Cellular Comm - Cl A | 78 |
| McDonalds Corp | 40 |
| MCI Communications | 52 |
| Merck & Co | 8 |
| Merrill Lynch & Co | 81 |
| Microsoft Corp | 27 |
| Minnesota Mining & Mfg Co | 30 |
| Mobil Corp | 9 |
| Morgan ( J.P.) & Co | 51 |
| Motorola Inc | 20 |
| **O-R** | **RANK** |
| Oracle Systems Corp | 96 |
| Pacific Gas & Electric | 60 |
| Pacific Telesis Group | 29 |
| Paramount Communications Inc | 89 |
| Penney ( J.C.) Co | 74 |
| Pepsico Inc | 14 |
| Pfizer Inc | 38 |
| Philip Morris Cos Inc | 6 |
| Phillips Petroleum Co | 95 |
| Primerica Corp | 68 |
| Procter & Gamble Co | 10 |
| Public Service Enterprises | 97 |
| Raytheon Co | 100 |
| **S** | **RANK** |
| Sara Lee Corp | 69 |
| SCEcorp | 79 |
| Schering- Plough | 62 |
| Sears Roebuck & Co | 39 |
| Southern Co | 65 |
| Southwestern Bell Corp | 24 |
| Sprint Corp | 86 |
| **T** | **RANK** |
| Tele-communications - C L A | 77 |
| Tenneco Inc | 93 |
| Texaco Inc | 42 |
| Texas Utilities Co | 83 |
| Time Warner Inc | 49 |
| Toys R Us Inc | 78 |
| **U** | **RANK** |
| US West Inc | 32 |
| Union Pacific Corp | 63 |
| **W** | **RANK** |
| Wal-mart Stores | 4 |
| Warner- Lambert Co | 92 |
| Wmx Technologies Inc | 53 |



## THE FT500

■ **The Top 100 US companies by market capitalisation**

| | company | Capital $m | Sector | Rank | Turnover This year $m | Turnover Last year $m | % change | Profit this year $m | Profit last year $m | % change | R O C E | employees | Year ending |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | General Electric Co | 81891.3 | 641 | 7 | 56274.0 | 59379.0 | -5.2 | 6326.0 | 6509.0 | -2.8 | 8.6 | 231000 | 31/12/92 |
| 2 | Exxon Corp | 81333.7 | 212 | 2 | 103160.0 | 102847.0 | 0.3 | 7534.0 | 8685.0 | -13.3 | 10.6 | 95000 | 31/12/92 |
| 3 | American Tele & Telegraph | 79305.0 | 223 | 4 | 64904.0 | 63089.0 | 2.9 | 5902.0 | 883.0 | 568.4 | 13.6 | 312700 | 31/12/92 |
| 4 | Wal-mart Stores | 56596.2 | 492 | 8 | 55483.7 | 43886.9 | 26.4 | 3166.3 | 2553.1 | 24.0 | 14.7 | 434000 | 31/01/93 |
| 5 | Coca-Cola Co | 54971.4 | 424 | 34 | 13073.8 | 11571.6 | 13.0 | 2746.1 | 2383.3 | 15.2 | 37.6 | 31000 | 31/12/92 |
| 6 | Philip Morris Cos Inc | 40209.9 | 425 | 10 | 50095.0 | 48064.0 | 4.2 | 8608.0 | 6971.0 | 23.5 | 18.4 | 161000 | 31/12/92 |
| 7 | GTE Corp | 36212.5 | 223 | 22 | 19984.0 | 19621.0 | 1.9 | 2889.0 | 2319.0 | 24.6 | 7.0 | 131000 | 31/12/92 |
| 8 | Merck & Co | 34962.8 | 433 | 49 | 9662.5 | 8602.7 | 12.3 | 3595.8 | 3191.9 | 12.7 | 39.9 | 38400 | 31/12/92 |
| 9 | Mobil Corp | 32606.0 | 212 | 6 | 56877.0 | 56042.0 | 1.5 | 2875.0 | 4025.0 | -28.6 | 6.1 | 63700 | 31/12/92 |
| 10 | Procter & Gamble Co | 32383.3 | 453 | 16 | 30433.0 | 29362.0 | 3.6 | 349.0 | 2685.0 | -87.9 | 2.1 | 103500 | 30/06/93 |
| 11 | Chevron Corp | 31817.3 | 212 | 12 | 37464.0 | 36461.0 | 2.8 | 3463.0 | 2252.0 | 53.8 | 11.8 | 49245 | 31/12/92 |
| 12 | Du Pont ( E. I.) De Nemours | 31479.9 | 622 | 13 | 37208.0 | 38151.0 | -2.5 | 1811.0 | 2818.0 | -35.7 | 5.1 | 124916 | 31/12/92 |
| 13 | American International Group | 31145.0 | 151 | | N/R | N/R | 0.0 | 2137.0 | 2022.6 | 5.7 | 6.9 | | 31/12/92 |
| 14 | Pepsico Inc | 31031.0 | 424 | 19 | 21970.0 | 19607.9 | 12.0 | 1898.8 | 1670.3 | 13.7 | 9.8 | 371000 | 31/12/92 |
| 15 | Bellsouth Corp | 29995.9 | 223 | 27 | 15148.9 | 14445.5 | 4.9 | 2631.2 | 2260.3 | 16.4 | 7.8 | 97112 | 31/12/92 |
| 16 | General Motors Corp | 29629.8 | 401 | 1 | 130590.0 | 122081.0 | 7.0 | -3333.1 | -5892.3 | 0.0 | -5.6 | 750000 | 31/12/92 |
| 17 | Intel Corp | 29428.4 | 551 | 71 | 5844.0 | 4778.6 | 22.3 | 1568.5 | 1194.6 | 31.3 | 18.7 | 25800 | 31/12/92 |
| 18 | Bristol Myers Squibb | 29066.1 | 431 | 40 | 11156.0 | 11159.0 | 0.0 | 1967.0 | 2867.0 | -31.2 | 24.8 | 52600 | 31/12/92 |
| 19 | Amoco Corp | 28693.2 | 214 | 18 | 25280.0 | 25325.0 | -0.2 | 1003.0 | 2035.0 | -50.7 | 4.7 | 46994 | 31/12/92 |
| 20 | Motorola Inc | 27787.2 | 551 | 31 | 13303.0 | 11341.0 | 17.3 | 800.0 | 613.0 | 30.5 | 9.0 | 107000 | 31/12/92 |
| 21 | Bell Atlantic Corp | 27717.0 | 223 | 36 | 12647.0 | 12279.7 | 3.0 | 2025.7 | 1996.4 | 1.5 | 9.1 | 71400 | 31/12/92 |
| 22 | Ford Motor Co | 27205.1 | 401 | 3 | 100132.0 | 88286.3 | 13.4 | -126.7 | -2587.0 | 0.0 | | 325333 | 31/12/92 |
| 23 | Johnson & Johnson | 25787.2 | 431 | 30 | 13753.0 | 12447.0 | 10.5 | 2207.0 | 2038.0 | 8.3 | 24.9 | 84900 | 31/12/92 |
| 24 | Southwestern Bell Corp | 25730.2 | 223 | 47 | 10015.4 | 9331.9 | 7.3 | 1869.7 | 1644.2 | 13.7 | 8.7 | 59500 | 31/12/92 |
| 25 | Intl Business Machines Corp | 23983.9 | 531 | 5 | 64523.0 | 64792.0 | -0.4 | -9026.0 | 121.0 | 0.0 | | 301542 | 31/12/92 |
| 26 | Ameritech Corp | 23293.2 | 223 | 41 | 11153.0 | 10818.4 | 3.1 | 1973.7 | 1656.4 | 19.2 | 11.6 | 71300 | 31/12/92 |
| 27 | Microsoft Corp | 23265.0 | 482 | 82 | 3753.0 | 2758.7 | 36.0 | 1401.0 | 1041.3 | 34.5 | 29.4 | 14430 | 30/06/93 |
| 28 | Abbott Laboratories | 22692.8 | 431 | 57 | 7851.9 | 6876.6 | 14.2 | 1738.8 | 1544.2 | 12.6 | 35.8 | 48118 | 31/12/92 |
| 29 | Pacific Telesis Group | 22378.5 | 223 | 48 | 9935.0 | 9895.0 | 0.4 | 1807.0 | 1684.0 | 7.3 | 8.3 | 61346 | 31/12/92 |
| 30 | Minnesota Mining & Mfg Co | 22321.3 | 406 | 29 | 13883.0 | 13340.0 | 4.1 | 1947.0 | 1877.0 | 3.7 | 16.3 | 87015 | 31/12/92 |
| 31 | Federal Natl Mortgage Assn | 21471.3 | 121 | | N/R | N/R | 0.0 | 2382.0 | 2081.0 | 14.5 | 1.4 | | 31/12/92 |
| 32 | US West Inc | 20568.5 | 223 | 45 | 10281.1 | 10577.2 | -2.8 | 1714.4 | 740.7 | 131.5 | 7.9 | 63707 | 31/12/92 |
| 33 | Disney ( Walt) Company | 20226.4 | 461 | 59 | 7504.0 | 6182.4 | 21.4 | 1301.8 | 1018.5 | 27.8 | 12.9 | 58000 | 30/09/92 |
| 34 | Eastman Kodak Co | 19445.3 | 463 | 21 | 20183.0 | 19419.0 | 3.9 | 1601.0 | 11.0 | | 7.2 | 132600 | 31/12/92 |
| 35 | Berkshire Hathaway Inc | 19226.3 | 171 | 84 | 3029.3 | 3106.0 | -2.5 | 550.6 | 593.0 | -7.1 | 4.2 | 22000 | 31/12/92 |
| 36 | Nynex Corp | 18921.1 | 223 | 32 | 13155.0 | 13249.8 | -0.7 | 1881.6 | 792.9 | 137.3 | 7.8 | 81900 | 31/12/92 |
| 37 | American Home Products Corp | 18897.3 | 433 | 56 | 7873.7 | 7079.4 | 11.2 | 1724.1 | 1759.8 | -2.0 | 26.2 | 50653 | 31/12/92 |
| 38 | Pfizer Inc | 18895.1 | 433 | 61 | 7230.2 | 6950.0 | 4.0 | 1534.8 | 943.7 | 62.6 | 20.5 | 40700 | 31/12/92 |
| 39 | Sears Roebuck & Co | 18853.6 | 171 | 9 | 52344.6 | 57242.4 | -8.6 | -4680.8 | 1471.4 | 0.0 | | 403000 | 31/12/92 |
| 40 | McDonalds Corp | 18343.0 | 464 | 64 | 7133.3 | 6695.0 | 6.5 | 1448.1 | 1299.4 | 11.4 | 10.5 | 166000 | 31/12/92 |
| 41 | Atlantic Richfield Co | 18224.3 | 214 | 25 | 17503.0 | 17037.0 | 2.7 | 1907.0 | 1160.0 | 64.4 | 9.0 | 26800 | 31/12/92 |
| 42 | Texaco Inc | 17542.4 | 212 | 14 | 36812.0 | 37271.0 | -1.2 | 1323.0 | 1436.0 | -7.9 | 6.1 | 37582 | 31/12/92 |
| 43 | Hewlett-Packard Co | 17389.3 | 531 | 26 | 16410.0 | 14494.0 | 13.2 | 1325.0 | 1127.0 | 17.6 | 11.1 | 92600 | 30/10/92 |
| 44 | American Express | 17386.9 | 121 | | N/R | N/R | 0.0 | 775.0 | 759.0 | 2.1 | 2.3 | 114352 | 31/12/92 |
| 45 | Home Depot Inc | 17178.6 | 492 | 63 | 7148.4 | 5136.7 | 39.2 | 576.0 | 396.1 | 45.4 | 11.5 | 38900 | 31/01/93 |
| 46 | Chrysler Corp | 16843.2 | 401 | 15 | 35501.0 | 28162.0 | 26.1 | 934.0 | -810.0 | 0.0 | 2.4 | 128000 | 31/12/92 |
| 47 | Dow Chemical | 16011.6 | 622 | 24 | 18971.0 | 18807.0 | 0.9 | 872.0 | 1688.0 | -48.3 | 1.7 | 61353 | 31/12/92 |
| 48 | Bankamerica Corp | 15653.3 | 112 | | N/R | N/R | 0.0 | 2682.0 | 1873.0 | 43.2 | 4.7 | 99184 | 31/12/92 |
| 49 | Time Warner Inc | 15264.9 | 472 | 35 | 13070.0 | 12021.0 | 8.7 | 320.0 | 52.0 | 515.4 | 0.4 | 44000 | 31/12/92 |
| 50 | Pacific Gas & Electric | 15255.0 | 221 | 44 | 10296.1 | 9778.1 | 5.3 | 2097.9 | 1877.9 | 11.7 | 6.7 | 26620 | 31/12/92 |
| 51 | Morgan ( J.P.) & Co | 15102.2 | 112 | | N/R | N/R | 0.0 | 1749.0 | 1485.0 | 17.8 | 11.0 | 14368 | 31/12/92 |
| 52 | MCI Communications | 14807.0 | 223 | 43 | 10562.0 | 9491.0 | 11.3 | 963.0 | 848.0 | 13.6 | 9.3 | 30964 | 31/12/92 |
| 53 | Wmx Technologies Inc | 14711.7 | 563 | 52 | 8661.0 | 7550.9 | 14.7 | 1398.4 | 1027.9 | 36.0 | 9.3 | 67200 | 31/12/92 |
| 54 | Lilly ( Eli) & Co | 14631.7 | 433 | 68 | 6167.3 | 5725.7 | 7.7 | 1182.3 | 1879.2 | -37.1 | 15.1 | 32200 | 31/12/92 |
| 55 | Southern Co | 14360.0 | 221 | 54 | 8072.6 | 8049.9 | 0.3 | 1669.4 | 1563.4 | 6.8 | 6.7 | 29548 | 31/12/92 |
| 56 | Citicorp | 14326.6 | 112 | | N/R | N/R | 0.0 | 1418.0 | -237.0 | 0.0 | 2.3 | 81000 | 31/12/92 |
| 57 | Allstate Corp | 14287.5 | 151 | | N/R | N/R | 0.0 | -1425.3 | | 0.0 | | | 31/12/92 |
| 58 | Banc One Corp | 14154.2 | 112 | | N/R | N/R | 0.0 | 1160.8 | 704.5 | 64.8 | 12.2 | 32700 | 31/12/92 |
| 59 | Emerson Electric Co | 13262.2 | 541 | 58 | 7706.0 | 7427.0 | 3.8 | 1043.9 | 1003.1 | 4.1 | 15.9 | 69400 | 30/06/93 |
| 60 | Nationsbank Corp | 13107.6 | 112 | | N/R | N/R | 0.0 | 1398.0 | 109.0 | 1180.7 | 10.5 | 50828 | 31/12/92 |
| 61 | Boeing Co | 13035.3 | 523 | 17 | 30184.0 | 29314.0 | 3.0 | 2256.0 | 2204.0 | 2.4 | 15.5 | 142000 | 31/12/92 |
| 62 | Schering-Plough | 12840.2 | 433 | 80 | 4055.7 | 3615.6 | 12.2 | 953.9 | 860.8 | 10.8 | 40.4 | 21100 | 31/12/92 |
| 63 | Union Pacific Corp | 12809.5 | 304 | 60 | 7294.0 | 7029.0 | 3.8 | 1101.0 | 112.0 | 883.0 | 8.4 | 46039 | 31/12/92 |
| 64 | Albertson's Inc | 12751.5 | 493 | 46 | 10173.6 | 8680.5 | 17.2 | 443.7 | 406.4 | 9.2 | 14.6 | 71000 | 30/01/93 |
| 65 | Gillette Co | 12673.5 | 432 | 75 | 5162.8 | 4683.9 | 10.2 | 829.7 | 694.1 | 19.5 | 24.8 | 30900 | 31/12/92 |
| 66 | Sprint Corp | 12530.2 | 223 | 50 | 9230.4 | 8779.7 | 5.1 | 655.7 | 607.2 | 8.0 | 6.7 | 43400 | 31/12/92 |
| 67 | Anheuser- Busch Cos Inc | 12414.1 | 421 | 39 | 11393.7 | 10996.3 | 3.6 | 1615.2 | 1520.6 | 6.2 | 13.7 | 44871 | 31/12/92 |
| 68 | Primerica Corp | 11482.8 | 121 | | N/R | N/R | 0.0 | 1187.8 | 791.0 | 50.2 | 9.2 | 16700 | 31/12/92 |
| 69 | Sara Lee Corp | 11467.1 | 451 | 28 | 14580.0 | 13243.0 | 10.1 | 1082.0 | 1174.0 | -7.8 | 13.1 | 138000 | 30/06/93 |
| 70 | Kellogg Co | 11393.0 | 451 | 67 | 6190.6 | 5786.6 | 7.0 | 1070.4 | 984.2 | 8.8 | 30.2 | 16551 | 31/12/92 |
| 71 | Chemical Banking Corp | 11331.0 | 112 | | N/R | N/R | 0.0 | 1329.0 | 290.0 | 358.3 | 0.5 | 39687 | 31/12/92 |
| 72 | ITT Corp | 11148.6 | 591 | 20 | 21651.0 | 20421.0 | 6.0 | -498.0 | 930.0 | 0.0 | | 106000 | 31/12/92 |
| 73 | Dun & Bradstreet Corp | 11144.2 | 472 | 77 | 4750.7 | 4642.8 | 2.3 | 795.2 | 730.6 | 8.8 | 25.7 | 52400 | 31/12/92 |
| 74 | Penney ( J.C.) Co | 11044.2 | 492 | 23 | 19085.0 | 17295.0 | 10.3 | 1259.0 | 468.0 | 169.0 | 9.9 | 192000 | 31/01/93 |
| 75 | McCaw Cellular Comm - Cl A | 11031.7 | 223 | 85 | 1743.3 | 1365.6 | 27.7 | -168.9 | -153.3 | 10.2 | | 8824 | 31/12/92 |
| 76 | May Department Stores Co | 10808.9 | 491 | 42 | 11150.0 | 10615.0 | 5.0 | 791.0 | 796.0 | -0.6 | 9.9 | 111000 | 31/01/93 |
| 77 | Tele-communications - C L A | 10765.1 | 474 | 83 | 3574.0 | 3827.0 | -6.6 | 172.0 | -9.0 | | | 22000 | 31/12/92 |
| 78 | Toys R Us Inc | 10750.6 | 495 | 62 | 7169.3 | 6124.2 | 17.1 | 689.0 | 538.9 | 27.9 | 12.3 | 87000 | 31/01/93 |
| 79 | SCEcorp | 10465.9 | 221 | 55 | 7983.6 | 7502.5 | 6.4 | 1247.0 | 1180.7 | 5.6 | 6.0 | 17256 | 31/12/92 |
| 80 | General Re Corp | 10395.2 | 152 | | N/R | N/R | 0.0 | 721.4 | 793.2 | -9.1 | | | 31/12/92 |
| 81 | Merrill Lynch & Co | 10368.4 | 121 | | N/R | N/R | 0.0 | 1621.4 | 1017.4 | 59.4 | 8.4 | 40100 | 31/12/92 |
| 82 | AlliedSignal Inc | 10279.7 | 591 | 37 | 12042.0 | 11831.0 | 1.8 | 702.0 | -390.0 | 0.0 | 13.3 | 89300 | 31/12/92 |
| 83 | Texas Utilities Co | 10102.2 | 221 | 76 | 4907.9 | 4893.2 | 0.3 | 920.1 | -525.5 | 0.0 | 4.7 | 14023 | 31/12/92 |
| 84 | K Mart Corp | 9896.9 | 492 | 11 | 37942.0 | 34792.0 | 9.1 | 1426.0 | 1301.0 | 9.6 | 7.5 | 358000 | 31/01/93 |
| 85 | Campbell Soup Co | 9700.9 | 451 | 66 | 6263.2 | 6204.1 | 1.0 | 799.3 | 674.6 | 18.5 | 17.9 | 43256 | 31/07/93 |
| 86 | General Mills Inc | 9591.8 | 451 | 53 | 8134.6 | 7777.8 | 4.6 | 844.0 | 844.5 | -0.1 | 20.4 | 121290 | 31/05/93 |
| 87 | Capital Cities/ABC Inc | 9515.9 | 474 | 74 | 5344.1 | 5382.0 | -0.7 | 685.9 | 662.2 | 3.6 | 8.0 | 19250 | 31/12/92 |
| 88 | Norfolk Southern Corp | 9508.1 | 304 | 78 | 4662.2 | 4500.6 | 3.6 | 875.3 | 143.6 | 509.5 | 9.5 | 30505 | 31/12/92 |
| 89 | Paramount Communications Inc | 9352.3 | 461 | 79 | 4264.9 | 3895.4 | 9.5 | 397.3 | 179.7 | 121.1 | 5.6 | 12650 | 31/10/92 |
| 90 | Fed Home Loan Mtg Co | 9125.9 | 121 | | N/R | N/R | 0.0 | 901.0 | 800.0 | 12.6 | 3.1 | | 31/12/92 |
| 91 | Heinz (H.J.) Co | 9009.3 | 451 | 65 | 7103.4 | 6581.9 | 7.9 | 715.8 | 984.4 | -27.3 | 15.9 | 37700 | 30/04/93 |
| 92 | Warner-Lambert Co | 8944.7 | 431 | 72 | 5597.6 | 5059.0 | 10.6 | 858.2 | 221.5 | 287.4 | 30.8 | 34000 | 31/12/92 |
| 93 | Tenneco Inc | 8919.4 | 591 | 33 | 13139.0 | 13662.0 | -3.8 | -607.0 | -683.0 | -11.1 | | 79000 | 31/12/92 |
| 94 | Duke Power Co | 8865.8 | 221 | 81 | 3969.7 | 3825.8 | 3.8 | 611.4 | 679.8 | -7.8 | 6.2 | 18668 | 31/12/92 |
| 95 | Phillips Petroleum Co | 8813.5 | 214 | 38 | 11933.0 | 12604.0 | -5.3 | 511.0 | 461.0 | 13.3 | 4.0 | 21397 | 31/12/92 |
| 96 | Oracle Systems Corp | 8741.5 | 482 | 86 | 1502.8 | 1178.5 | 27.5 | 218.0 | 96.1 | 126.8 | 23.1 | 9247 | 31/05/93 |
| 97 | Public Service Entreprises | 8491.0 | 221 | 73 | 5356.8 | 5091.7 | 5.2 | 806.3 | 846.2 | -4.7 | 5.2 | 13120 | 31/12/92 |
| 98 | Martin Marietta Corp | 8488.8 | 521 | 69 | 5954.3 | 6075.4 | -2.0 | 512.4 | 420.9 | 21.8 | 14.3 | 55700 | 31/12/92 |
| 99 | Consolidated Edison of NY | 8452.2 | 221 | 70 | 5932.9 | 5873.0 | 1.0 | 924.6 | 858.0 | 7.8 | 6.7 | 19047 | 31/12/92 |
| 100 | Raytheon Co | 8422.1 | 521 | 51 | 9058.2 | 9274.2 | -2.3 | 924.6 | 872.7 | 5.9 | 16.4 | 63900 | 31/12/92 |

The Walt Disney company is 33rd in the US

Coca-Cola is fifth in the US rankings


H.J. Heinz edges into the US list at number 91



## THE FT500

■ NORDIC REGION

# Devaluation helps Swedes and Finns

**Recession continued to dog the region but stock markets rose sharply as interest rates fell and signs of recovery began to show, writes Hugh Carnegy**

After a dismal, recession-driven slump in the rankings in 1992, Nordic companies have rebounded significantly this year.

Ten new Nordic entries – or re-entries – outweighed five departures (two of which were due to takeovers), compared with a net loss last year of 11. The turnaround took the total of Swedish, Danish, Finnish and Norwegian companies in the list to 45.

Nordic companies also made their presence felt among the more eye-catching performers. Skandinaviska Enskilda Banken, Sweden's leading commercial bank, vaulted back from a loss-driven share collapse to re-enter the top 500 at number 199. Its rival Svenska Handelsbanken topped the list of big risers among established FT500 companies by surging from 465th place to 223rd.

Astra, the Swedish pharmaceutical group, held its 1992 ranking of 32, the highest of any Nordic company. It also ranked as Europe's seventh most profitable company, with a 49.8 per cent return on capital.

Another prominent Nordic re-entry to the FT500 was Nokia, the Finnish telecommunications group, which is riding a tide of growth in its mobile telephone division. It came in at number 301. Meanwhile, Norsk Hydro, the petroleum and fertiliser group that is Norway's biggest stock-listed company, registered Europe's biggest increase in profits, showing a rise of no less than 7,715 per cent.

Recession continued to dog the Nordic region in 1993 – especially in Sweden and Finland. But stock markets in the four countries rose sharply as interest rates fell and signs of recovery began to show in the latter part of the year. In Sweden and Finland, companies also benefited greatly from the big devaluations in the Swedish krona and Finnish markka over the year, which boosted profitability.

Finland's representation in the FT500 was quadrupled to eight from 1992, reflecting a near doubling of values on the Helsinki stock exchange over the year.

The top Finnish company, forestry and engineering group Repola, improved from 387th place to 255th. Finnish newcomers, apart from Nokia, were forestry groups Enso-Gutzeit and Metsa-Serla, respectively at 387 and 471; Outokumpu, the mining company, at 482; and the banks Unitas and Kansallis-Osake-Pankki. Unitas came in at 440, while KOP edges in at 500.

Six of Denmark's 10 FT500 companies also improved their positions. The main reverse was Carlsberg, the brewer, which was toppled from Danish top spot as it slid from 158th place overall to 229th. It was overtaken by A.P. Moller, the shipping group, whose joint parent companies, D/S Svendborg and D/S af 1912, moved up to 148 and 149 on the overall list respectively.

Closer inspection of the rankings, however, reveals that stock market performance tended to be well ahead of bottom-line performance. Eleven of the 25 European companies showing the biggest swings from profit to loss were Swedish, Finnish or Danish.

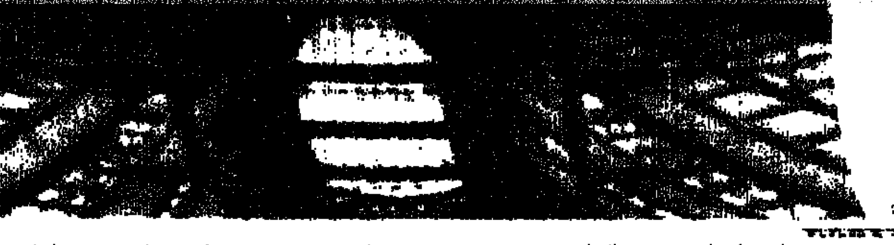
Prominent among these were banks and insurance companies. Most of the region's financial stocks rebounded strongly in 1993, as banks and insurance groups took the first steps back to health after crippling loan losses in 1992. But they are still carrying the burden of those losses: Unitas suffered Europe's 12th biggest swing to loss from profit – $445.5m. Others in the list of crashing profits were Swedish insurers Trygg-Hansa SPP and Skandia, S-E Banken, Den Danske Bank and Unidanmark.

Traditional Swedish industrial powerhouses also put up a mixed showing, at best. Three Swedish industrial departures from the FT500 – Trelleborg, the troubled mining and metals group; Industrivarden, a mixed investment group; and Korsnas, a pulp and paper company taken over by Kinnevik – balanced new financial sector entries S-E Banken, Skandia and Trygg-Hansa SPP, to leave Sweden's total representation at 21. Of these, only seven improved their rankings.

Volvo's tumultuous year – which swung from heavy losses and an agreement to merge with France's Renault, to resurgent profits and the controversial breaking of the merger deal – left it down slightly in the rankings, from 129th place to 136th.

■ **Leading Nordic countries by market capitalisation**

| | Company | Cntry | $m | FT500 Rank | Sector |
|---|---|---|---|---|---|
| 1 | Astra | Swe | 12595.0 | 32 | 433 |
| 2 | Ericsson LM | Swe | 11831.6 | 37 | 533 |
| 3 | Procordia | Swe | 6797.5 | 82 | 433 |
| 4 | Norsk Hydro | Nor | 5691.2 | 104 | 214 |
| 5 | Asea | Swe | 5595.7 | 47 | 541 |
| 6 | Volvo | Swe | 4190.0 | 136 | 401 |
| 7 | Sandvik | Swe | 3958.9 | 145 | 562 |
| 8 | A/S D/S Svendborg | Den | 3911.5 | 148 | 303 |
| 9 | D/S af 1912 | Den | 3884.8 | 149 | 303 |
| 10 | Den Danske Bank | Den | 3068.2 | 186 | 112 |
| 11 | Svenska Cellulosa | Swe | 3028.1 | 188 | 651 |
| 12 | Skandinaviska Enskilda Banken | Swe | 2884.3 | 199 | 112 |
| 13 | Novo Nordisk | Den | 2806.6 | 203 | 433 |
| 14 | Stora | Swe | 2579.9 | 221 | 651 |
| 15 | Svenska Handelsbanken | Swe | 2558.7 | 223 | 112 |
| 16 | AGA | Swe | 2518.1 | 225 | 621 |
| 17 | Carlsberg | Den | 2438.5 | 229 | 421 |
| 18 | Sydkraft | Swe | 2366.5 | 238 | 221 |
| 19 | Skanska | Swe | 2231.6 | 252 | 613 |
| 20 | Electrolux | Swe | 2227.9 | 253 | 402 |
| 21 | Investor | Swe | 2212.9 | 254 | 131 |
| 22 | Repola | Fin | 2200.4 | 255 | 591 |
| 23 | Incentive | Swe | 1893.6 | 285 | 541 |
| 24 | *Hafslund Nycomed* | *Nor* | *1808.3* | *300* | *591* |
| 25 | Nokia | Fin | 1806.7 | 301 | 533 |
| 26 | Berendsen (Sophus) | Den | 1723.0 | 314 | 461 |

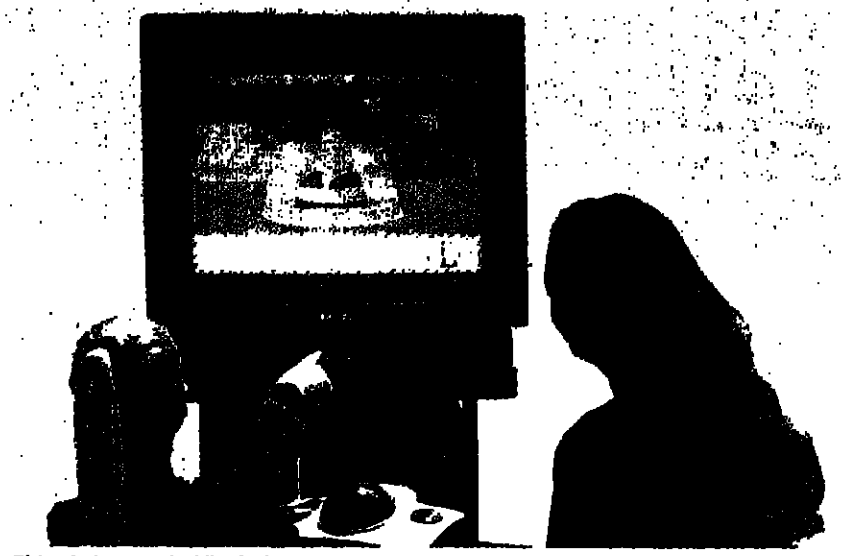




■ BENELUX COUNTRIES

# Mergers help give a lift to the Dutch

While most Belgian companies have slipped this year, corporate life in the Netherlands has improved. **Andrew Hill** and **Ronald van de Krol** report



Rising fortunes: a doubling in the share price saw Philips jump to 86th place

The diverging fortunes of Belgian and Dutch corporate life are obvious from the FT500.

Of the 18 Belgian companies in the 500, only two – Bekaert, the steel and wire cord group, and Kredietbank, one of the big three Belgian banks – have improved their ranking since last year, and that only marginally. Three Belgian companies are among the 25 companies to fall the furthest, and two more have left the list altogether.

By contrast, leaving aside the largest Anglo-Dutch companies, the Dutch list includes two new entries and three more companies which have shown strong improvements in their position.

That partly reflects the influence of recent mergers on the Dutch business world. The two new entries, Bols Wessanen, the food-to-beverages group ranked 208th, and KNP BT, the paper and packaging company which is listed in 365th place, are the products of far-reaching domestic tie-ups concluded in the course of 1993.

These latest mergers confirm a trend that has been apparent since the early 1990s. For all the excitement about the single market and the need for cross-border expansion, Dutch companies have tended to look for merger partners in their own backyard first, partly as a means of defence and partly as a way of increasing their scope for international acquisitions.

The two highest-ranked Dutch companies in the FT 500 listing – Internationale Nederlanden Group (ING), the financial services group, and ABN Amro, the Netherlands' largest bank – did not even exist before 1990. Both were created in that year as part of the swiftest consolidation to sweep Dutch finance since the 1960s.

Having secured their domestic base, both ING and ABN Amro are looking intently for acquisitions in Europe. So far, however, their European ambitions have been hampered by the high price commanded by the region's banks and insurers.

ING's climb to 49th place from 60th in 1992 is a reflection of the re-rating of the company's shares. When it was first created in 1990, Europe's first full-fledged "bancassurance" company, spanning both insurance and banking, caused confusion among investors who did not know whether to value the group as a bank or an insurance company. As a result, ING's shares tended to underperform the Netherlands' financial sector.

In 1993, however, ING's shares put in a strong performance, rising from around Fl 52 ($27) in mid-December 1992 to around Fl 90 in December 1993.

Another big beneficiary of share-price gains is Philips, the electronics group, which rose to 86th from 101th place, due mainly to a doubling in its share price over the 12 months to December. This, in turn, was caused by enthusiasm for the company's renewed efforts to sell off unprofitable assets rather than any significant recovery in its underlying business, which remains hampered by the world-wide malaise in consumer electronics.

The Belgian stock market has reached record levels in 1993, but the problem is that it has still underperformed most other European exchanges. As a result, most Belgian stocks have slipped down the list.

Ironically, they include companies in the banking and retailing sector which seemed to represent particularly strong defensive investments a year ago.

With the exception of Kredietbank, Belgium's big banks – Générale de Banque and Banque Bruxelles Lambert – have both lost ground. BBL, in particular, has had to work hard in 1993 to recover from provisions against bad loans, recorded in 1992's profits, and the break-up of 1992 talks with ING, the Dutch financial services group, over a possible merger.

Indeed, over the past two years, there has been a dearth of large takeovers in Belgium. As a result, the stock market has been prey to unsustained speculative surges, based on rumours of restructuring by the country's main holding companies.

During 1993, perhaps the most exciting deal was the September sale of a 43 per cent stake in CBR, the cement company ranked 361st in the FT500, by Société Générale de Belgique, the holding company ranked 127th, to Heidelberger Zement, Germany's largest producer of building materials. Fortis, the Dutch-Belgian financial services group (ranked 116), also completed an important deal when it bought 50 per cent of CGER-ASLK, a network of Belgian savings banks, in the first stage of the Belgian government's privatisation programme.

In retailing, the change against 1992 has been even more dramatic than in the banking sector. GIB Group slipped from 300th to 437th, while Delhaize – which was one of the top 200 in 1992 – declined from 176th to 327th. Along with Cobepa, the small Belgian holding company, both companies make the list of the 25 European companies to fall furthest during 1993.

Delhaize has had a particularly tough year. In the first half, its consolidated net profits fell by more than 70 per cent. It has been hit by recession, falling food prices and industrial disputes in Belgium; and by a wave of bad publicity in the US, which caused a drop in business and a slump in the share price. Delhaize has blamed a concerted smear campaign by disgruntled US unions.

If there is one success story in the Belgian list, it is probably Bekaert. The wire and steel cord manufacturer edged up from 435th to 432nd in the FT500, which does not seem spectacular. However, Bekaert also achieved the third largest profit increase among European companies. That represented a recovery from losses in 1991, and the just reward for some sensible restructuring, achieved in spite of the recession.

■ **Leading Benelux companies by market capitalisation**

| | Company | Cntry | $m | FT500 rank | Sector |
|---|---|---|---|---|---|
| 1 | Royal Dutch Petroleum Co* | Net | 54910.7 | 1 | 212 |
| 2 | Unilever NV* | Net | 17390.0 | 5 | 451 |
| 3 | Internationale Nederlanden Gp | Net | 10591.0 | 49 | 121 |
| 4 | ABN Amro Holding | Net | 9706.7 | 57 | 112 |
| 5 | Electrabel | Bel | 9154.8 | 60 | 221 |
| 6 | Philips Electronics | Net | 6429.8 | 86 | 541 |
| 7 | Petrofina | Bel | 6077.4 | 91 | 212 |
| 8 | Elsevier* | Net | 5456.4 | 41 | 472 |
| 9 | Aegon | Net | 4780.7 | 120 | 161 |
| 10 | Societe Generale de Belgique | Bel | 4572.4 | 127 | 171 |
| 11 | Akzo | Net | 4329.7 | 133 | 622 |
| 12 | Rodamco | Net | 4213.0 | 135 | 161 |
| 13 | Heineken | Net | 3983.4 | 143 | 421 |
| 14 | Generale de Banque | Bel | 3513.7 | 158 | 112 |
| 15 | Tractebel | Bel | 3507.3 | 159 | 221 |
| 16 | Wolters Kluwer | Net | 3403.5 | 167 | 472 |
| 17 | Minorco | Lux | 3180.2 | 179 | 641 |
| 18 | Kredietbank | Bel | 3098.6 | 185 | 112 |
| 19 | Solvay | Bel | 2910.1 | 197 | 622 |
| 20 | Amev* | Net | 2849.6 | 116 | 151 |

*Market capitalisation on the Amsterdam Stock Exchange only

■ EASTERN EUROPE

# Edging towards a place in the top 500

Already the Czech republic has two companies ripe for inclusion among Europe's giants. Meanwhile, mass privatisation should take off in Poland this year, writes **Anthony Robinson**

A combination of privatisation on an unprecedented scale and the stock market surges which spread from Warsaw to Prague and Budapest in the second half of last year has brought to the fore a growing number of private central European companies ripe for inclusion in the FT500.

Already the Czech republic boosts two companies whose market capitalisation at the end of the year exceeded that of the $921m recorded by the Finnish company at the bottom of the FT500. What is more, the $2.7bn capitalisation of CEZ, the electrical utility company which heads the Czech list, equals the total year-end market capitalisation of the 22 stocks quoted on the Warsaw stock exchange. Total Polish capitalisation reached $2.7bn after a hectic year in which Polish-quoted share prices rose on average by 700 per cent.

Both Prague and Warsaw outclassed the Budapest stock exchange where the market capitalisation of the 28 quoted shares ended the year at $820m after a late rally which boosted the Budapest index by 50 per cent over the last few weeks but still left shares languishing in real terms below their values of two years ago.

Pre-war Czechoslovakia boasted one of the most developed industrial economies in the world. It lost competitiveness and was diverted into inappropriate energy and raw material consuming heavy industry under Soviet domination. But the innate strengths of the Czech economy and the underlying resources of a skilled labour force are once again coming to the surface under the single-mindedly pro-market and pro-privatisation policies of the government led by Mr Vaclav Klaus.

The Czechs pioneered mass privatisation, with more than 1,300 enterprises privatised in the first round of privatisation through vouchers and over 800 enterprises about to be privatised under the second round.

More than 70 per cent of the 8m Czech citizens who paid around $30 for vouchers permitting them to buy shares in the 1,300 companies with a book value vastly in excess of the vouchers, deposited them with the private investment funds which sprang up to manage the deluge of new shares and new shareholders.

In effect most voucher holders have become shareholders in the funds who actually manage the shares, buying and selling on and off the stock exchange and building up controlling packets of shares where possible.

A glance at the top six shares quoted on the Prague stock exchange is instructive. After CEZ comes Ceska Sporitelna, the Czech savings bank, capitalised at $1.06bn, which is followed by the biggest commercial bank, Komercni Banka at $900m. The Czech banks are all in the throes of bad-debt write-offs and capital re-financing to fit them for their future role as financiers of the emerging small and medium private business sector.

The two biggest quoted companies after CEZ and the banks are both majority-controlled by foreign investors. Tabak, the former state tobacco monopoly bought by Philip Morris, is capitalised at $695m while Cokoladovny, controlled by Nestlé, pitches in at $648m. Way behind in sixth place comes the country's largest engineering group, Skoda Pilzen, which is capitalised at $320m. Skoda Automobilovna, the motor car company which is the largest and probably best known Czech company, is in the throes of becoming controlled 70 per cent by Volkswagen, with the state retaining the remaining shares, so it is not a quoted company.

The relatively slow, case by case, privatisation approach decided on by the Hungarian authorities, with the emphasis on trade sales to foreign investors, has paid off to the extent that Hungary has attracted the bulk of the more than $5.5bn invested in central and eastern Europe over the past three years. But the reluctance to embrace mass privatisation is reflected in the relative smallness of the Budapest stock exchange with only 28 shares quoted, of which the most sought after are those of Fotex, the photographic and luxury goods company. Last year, turnover in shares at 18.26bn forints was only 10 per cent of total stock exchange turnover which was dominated by trading in government bonds and treasury bills.

In Poland the biggest company by mar-

Continued on next page

■ RETAILING

# Shopkeepers suffer a fall in fortunes

Europe's leading companies now face a challenge from US warehouse operators, reports **Neil Buckley**

On the evidence of the FT500, Britain really does appear to be a nation of shopkeepers.

Of the 37 retailers in the table, 17 are British, and UK companies fill seven of the top 10 positions in the retail list. Next comes France with nine, Germany with six, Belgium with two, and Spain, Italy and the Netherlands with one each.

That gives a slightly misleading impression of the UK's retailing strength. The reason is that several of Europe's biggest retailers, such as Germany's Tengelmann and Metro, are private companies or co-operatives, and so do not appear in the list.

Based on turnover rather than market capitalisation, nine of the top 10 European companies are German or French, with only one UK company – J. Sainsbury – sneaking into the table.

But the FT500 does accurately reflect the less than sparkling fortunes of many of Europe's top retailers last year, thanks to continuing recession and slow growth in consumer consumption. Some 20 of the 37 have gone down, while only 13 have gone up. The UK's Marks and Spencer, still the highest-placed retailer in the 500, is unchanged at 22.

There are, however, three new entries. Highest, at 303, is Pinault-Printemps, the group formed in December 1992 by the merger of France's Pinault and Au Printemps.

The UK fashion retailer Next, one of the most successful retailers of the 1980s, has re-entered the list at 445. After over-expanding and over-borrowing by the end of the decade, it is now staging a recovery, having closed some stores and cut costs, and announced in September an almost three-fold increase in interim pre-tax profits to £23m.

The third new entrant, at 458, is La Rinascente, Italy's biggest retailer, and one of the few big players in one of Europe's least-developed retail markets.

It has spent L300bn a year for the past four years on expansion, and turnover in its supermarkets and hypermarkets has more than doubled, while sales in its DIY chain have more than trebled.

But the main feature of the retailing list is the number of fallers. Five of the 25 biggest fallers in the FT500 are retailers.

It is perhaps not surprising that two are UK food retailers. The food retailing sector underperformed the UK stock market by more than 30 per cent in 1993, amid fears that the creeping saturation of the superstore market, the rapid growth of discount retailers – several of them recent entrants from continental Europe such as Germany's Aldi, Denmark's Netto and France's Ed – and the resulting upsurge in price competition, meant the biggest players' profits growth was under threat.

It is perhaps more surprising that the two chains should be Kwik Save, the UK's leading discounter, and Wm Morrison Supermarkets, the regional superstore chain voted the UK's top performing company by the Institute of Directors in 1992.

Ironically, Kwik Save remains one of the most profitable companies in Europe on a return on capital employed basis, achieving 44.4 per cent. But the retailer's share price has been hit by fears that it may be squeezed between the new generation of discounters and the more price-aggressive superstores, while Morrison's shares declined after disappointing results in September and a warning that pressure on its margins meant profits were unlikely to rise in line with sales over the next year.

The UK's three biggest food retailers were all affected. J. Sainsbury fell from 26 to 39, Tesco from 63 to 95, and Argyll from 73 to 114. Other large fallers include Belgium's two biggest retailers, Delhaize and GIB. The latter, which fell from 176 to 327, has suffered from the malaise affecting the Belgian retail sector. That resulted from a significant slowdown in the growth of private consumption in 1993, due to higher taxes on income, energy and stock exchange transactions.

The biggest factor in the decline of Delhaize, from 300 to 437, is probably the performance of US subsidiary Food Lion, which accounts for 64 per cent of group earnings. Sales were affected by a highly negative US television documentary, which centred on the problems of food handling and sanitation in the meat area of Food Lion stores. In another recent setback, Food Lion had to pay $16.2m to the US Department of Labor for violating federal overtime and child labour laws.

In addition to its fallers, however, the UK provides the only two retailers in the top 25 biggest risers: Burton, the country's second-largest clothing retailing group, and Asda, the fourth-biggest grocery superstore chain. Both – like fashion retailer Next – are leading retailers of the 1980s which lost their way at the end of the decade through over-expanding and over-borrowing and are now staging a recovery.

Another big riser was France's Castorama Dubois – a newcomer to the FT500 last year.

The outlook for European retailers remains tough, however. With powerful discount formats such as warehouse club operator Costco now crossing the Atlantic, and several others likely to follow, European groups may face a significant challenge in their home markets just as they start to pull out of recession.

■ **Leading retailers by market capitalisation**

| | Company | $m | Rank | Sector |
|---|---|---|---|---|
| 1 | Marks and Spencer | 16380.8 | 22 | 491 |
| 2 | Sainsbury J | 11694.0 | 39 | 493 |
| 3 | Great Universal Stores | 8482.0 | 67 | 493 |
| 4 | Carrefour | 7696.7 | 75 | 493 |
| 5 | Boots Company | 7601.3 | 78 | 492 |
| 6 | Kingfisher | 6583.8 | 84 | 491 |
| 7 | Tesco | 5906.5 | 95 | 493 |
| 8 | Argyll Group | 5035.4 | 114 | 493 |
| 9 | Karstadt | 2840.8 | 200 | 491 |
| 10 | Promodes | 2828.6 | 201 | 491 |
| 11 | Sears | 2575.9 | 222 | 492 |
| 12 | Asda Group | 2553.2 | 224 | 493 |
| 13 | Ahold | 2434.2 | 230 | 493 |
| 14 | Kaufhof | 2345.2 | 240 | 491 |
| 15 | Centros Comerciales Pryca | 2087.4 | 264 | 493 |
| 16 | Redoute (La) | 1950.2 | 279 | 491 |
| 17 | Smith (W.H.) Group | 1825.9 | 297 | 495 |
| 18 | Pinault-Printemps | 1798.1 | 303 | 491 |
| 19 | Delhaize | 1653.0 | 327 | 492 |
| 20 | Asko Deutsche Kaufhaus | 1647.7 | 329 | 491 |
| 21 | Casino | 1646.9 | 330 | 493 |

ENGINEERING

# Good news in rather short supply

Conditions in many western markets remained weak, and 17 of the 26 companies slipped down the rankings and six managed to rise, writes **Andrew Baxter**

After a year of unprecedented recession for many continental European engineering companies, good news from the FT 500 rankings is, not surprisingly, in rather short supply.

Mechanical engineering companies in particular have had a tough time, with demand in Germany falling through 1993 and showing only a few small signs yet of "bottoming out". Overall, demand for engineering products has recovered in the UK, but the upturn lacks conviction.

Using a reasonably broad definition, there are 26 engineering companies in the FT 500. Apart from the 15 classed as engineering companies, it makes sense to add companies such as Siemens, General Electric Company, BTR and Alcatel Alsthom, which have big engineering interests, and companies such as Asea Brown Boveri and Electrolux, respectively Europe's largest electrical engineering group and white goods group.

On this basis, 17 of the 26 companies slipped down the rankings and six managed to rise. There were two new entrants, Schindler, the Swiss lifts and escalators producer, and FKI, the UK electrical engineering concern.

Significantly perhaps, four of the six companies that improved their position were British-based – BTR, GEC, Siebe and Lucas Industries. This partially reflects their relatively stronger home markets, but also the fact that their commitment to cutting costs, raising productivity and profits is more long-established than is the case with many continental companies.

However, the relatively small declines in the rankings for many of the FT 500 companies is a testament to the importance now attached to drastic internal improvements aimed at enhancing their resilience against market downturns.

ABB, which slipped from 40th to 47th, is a case in point. In November, the Swiss/Swedish group announced a 13 per cent increase in operating earnings after depreciation for the first nine months of 1993 – to $1.42bn from $1.26bn. Adjusted for exchange rate fluctuations and expressed in local currencies, the rise is even more impressive at 27 per cent.

Yet conditions in many western markets remained weak, especially in continental Europe, said ABB. The result illustrates the productivity gains achieved by ABB while large parts of the industrialised world have remained in a prolonged recession. Restructuring is being accelerated to reduce break-even points further.

Perhaps the most surprising performance in the FT 500 rankings was that of Mannesmann, the German industrial, engineering and telecommunications group which has risen from 96th to 89th place. In August, the Düsseldorf-based company reported a plunge into losses of DM467m in the first half of 1993, down from a profit of DM15m in the first half of 1992.

The group said it expects to make a substantial loss for all of 1993. Significantly, though, this reflects the costs of a one-off restructuring, which should lead to a large reduction in the group's break-even level. So Mannesmann expects a substantial improvement in the group's results for 1994 even if the economy continues to weaken – helping to explain the group's good performance in the rankings.

Even so, Mannesmann's return on capital employed, based on 1992 figures, is low enough at 3.1 per cent to put it at 13th in the FT 500 list of 25 least profitable companies, so there is room for improvement.

■ **Engineering companies by market capitalisation**

| | Company | $m | Rank | Sector |
|---|---|---|---|---|
| 1 | Siemens | 22650.0 | 10 | 541 |
| 2 | BTR | 19133.3 | 16 | 591 |
| 3 | General Electric Company | 14796.3 | 16 | 591 |
| 4 | Alcatel-Alsthom | 18494.8 | 18 | 533 |
| 5 | ABB Asea Brown Boveri | 10987.7 | 47 | 541 |
| 6 | Mannesmann | 6092.9 | 89 | 566 |
| 7 | Sandvik | 3958.9 | 145 | 562 |
| 8 | Linde | 3357.6 | 169 | 566 |
| 9 | Siebe | 3172.4 | 180 | 591 |
| 10 | TI Group | 2412.8 | 232 | 566 |
| 11 | Electrolux | 2227.9 | 253 | 402 |
| 12 | Man | 2137.0 | 261 | 566 |
| 13 | Incentive | 1893.5 | 285 | 541 |
| 14 | GKN | 1844.2 | 292 | 571 |
| 15 | Legrand | 1784.4 | 306 | 541 |
| 16 | Atlas Copco | 1694.6 | 317 | 566 |
| 17 | SKF | 1649.4 | 328 | 566 |
| 18 | Smiths Industries | 1646.0 | 331 | 566 |
| 19 | Sulzer | 1616.3 | 334 | 563 |
| 20 | Lucas Industries | 1609.9 | 336 | 571 |
| 21 | Electrowatt | 1597.8 | 338 | 561 |
| 22 | Kvaerner | 1521.9 | 355 | 592 |
| 23 | Schindler | 1212.9 | 425 | 566 |
| 24 | Delta | 1210.2 | 428 | 563 |
| 25 | FKI | 1082.6 | 459 | 563 |
| 26 | Glynwed International | 970.9 | 486 | 566 |

Fortunately Mannesmann is the only engineering group on this list, but SKF, the Swedish roller bearings producer, appears in 23rd place on the list for largest swings to losses. In fact, it suffered a much heavier loss in 1992 but there are now signs of an improvement in outlook – not soon enough, however, to prevent the company dropping from 278th to 328th.

Only Lucas Industries of the UK manages to creep in at 12th in the list of largest increases in profit. Lucas, which recently ended a long search for a new chief executive by appointing Rover Group executive George Simpson, continued to benefit in 1993 from the extensive restructuring announced a year earlier. Cost-cutting enabled pre-tax profits to rise from £22.5m to £50.3m in the year ended July 31, and the company's FT ranking has improved from 385th in 1992 to 336th.

The new entrants have arrived via different routes. Schindler has rebuilt its position in the world escalator market over the past five years, while FKI has set out on a strategy of boosting profitability and achieved considerable success so far.

The departures were Glasgow-based Weir Group, the well-regarded pump manufacturer which was ranked at 488th in 1992, and Trelleborg (466th in 1992), the Swedish mining and industrial group.



SECTOR ANALYSES

■ BANKING

# Exit from ERM spurs success

**John Gapper** reports on a sector that last year did particularly well, especially in the United Kingdom and Switzerland

It may not have been much of a year in many industries but the FT500 shows how good it was for banks. The precipitous rise in share prices of Swiss and UK banks propelled them sharply up the rankings, while British investment banks rose even faster on the back of near-perfect trading conditions.

The banks' success was a bad advertisement for the European Union. Not only did the market capitalisation of UK banks rise following Britain's exit from the exchange rate mechanism, but the universal banks that trade in foreign exchange gained from currency turmoil amid speculation against the ERM.

The newest European bank also emerged as the most valuable. HSBC Holdings, the bank holding company formed by Hongkong and Shanghai Bank to coincide with its takeover of Midland Bank, rose to eighth place. Its roots in the booming Asia Pacific market made it the 23rd most profitable company.

The big three Swiss banks consolidated their position in the sector. They were no longer held back by their very strong capital and weak profits from domestic retail banking. Instead, their strength helped their securities trading, and attracted risk management business from derivatives.

This gave each of the big three a big push up the rankings. Union Bank of Switzerland rose 10 places to 15th, and Swiss Bank Corporation rose to 38th from 62nd. CS Holding rose to 36th from 68th after taking over Swiss Volksbank, which left the FT500 from its 494th ranking last year.

Yet the success of UK banks showed it was not necessary to have impressive earnings to rise in value. British banks such as Barclays and National Westminster rose because of future promise rather than achievement. Shares rose as investors discounted recovery several years into the future.

Barclays was the best example of the emergence of UK banks as recovery stocks after the bad debt problems of the 1980s. Although it had the dubious achievement of being the third least profitable company by losing $369.1m, it rose 13 places to 31st place measured by market capitalisation.

Other UK banks which rose significantly in the rankings because of the rerating of UK bank shares on expectations of recovery included Royal Bank of Scotland, up from 216th place to 144th, and TSB Group, up to 112th place from 145th after returning to profitability.

The sharpest rise in the rankings by a British bank came from another bank with roots in the Asia Pacific. Standard Chartered, which for years has been seen as an accident-prone and inadequately managed bank, rose 94 places to 165th place on the back of a startling share performance.

The other commercial banking market which achieved a good result was Spain. Spanish retail banks were helped by high net interest margins, and recovery from bad debt. The two highest ranked were Banco Bilbao Vizcaya which rose from 98th to 92nd, and Banco de Santander, which rose 24 places to 101st.

Ironically, the sharpest Spanish rise came from Banesto, a retail banking recovery story that went wrong. Its share price rise after J.P. Morgan, the US bank, masterminded a capital restructuring, pushed it from 243rd to 184th place. Nevertheless, excessive loan growth forced the Bank of Spain to rescue Banesto late last year. Meanwhile, Banco Popular, the most profitable Spanish bank, moved up gently from 183rd to 160th.

German banks fell in the rankings, in spite of the strength of the D-Mark, on emerging problems of loan provisions in the deteriorating economy. Deutsche Bank dropped from 10th to 12th place, Bayerische Vereinsbank from 90th to 94th, and Commerzbank from 99th to 105th.

The strongest individual performance by a bank came from Svenska Handelsbanken, the only leading bank in Sweden, Norway and Finland which did not need state assistance to escape the banking crisis. Its sharp turnaround into profit catapulted it 243 places up the rankings to 223rd.

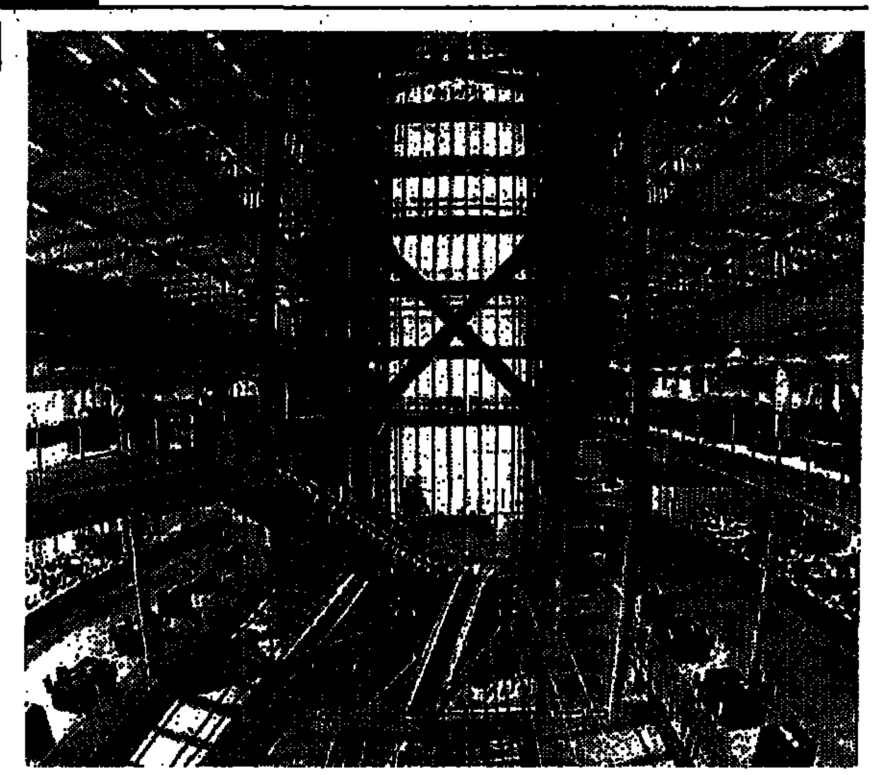
However, the boost in fortunes for financial services firms was not confined to banks. The exceptional trading conditions for bonds and equities, and the sharp rise in European and Asian stock markets helped both investment banks and their asset management arms to rise briskly in the FT500.

One of the newest entries to the FTSE-100 index also rose sharply in the FT500. Schroders, the UK investment bank, was among the biggest gainers this year, rising 101 places to 228 on strong profits. The achievement reflected a wider rerating of merchant and investment banking shares in the UK.

Another strong gain came from S.G. Warburg, the UK investment bank, which rose 36 places to 220th as its shares gained from pan-European strength. Warburg was pushed up by the rise of Mercury Asset Management, the fund manager of which it owns 75 per cent, to 290th place (up 125).

Among investment banks which entered the FT 500 amid strong trading conditions were Hambros, the UK investment bank, and Baer Holdings, the Swiss private bank and fund management company. A question for next year will be whether they can sustain their position despite earnings volatility.

However, in spite of doubts over whether next year can be as good for banks, it is clear that 1993 proved an exceptional year in at least some European markets. Whether the recovery will be matched in other markets as asset quality problems subside will be seen in next year's index.



HSBC's roots in the booming Asia Pacific market made it the 23rd most profitable company

■ **Top 10 Polish companies by market capitalisation***

| | | | |
|---|---|---|---|
| 1. | Wedel (confectionery) | (5.99bn zlotys) | $304m |
| 2. | Elektrim (power and telecommunications equipment trader) | (4.22bn zlotys) | $214m |
| 3. | Wielkopolski Bank Kredytowy (bank) | (3.45bn zlotys) | $175m |
| 4. | Bank Inicjatyw Gospodarczych (bank) | (2.10bn zlotys) | $106m |
| 5. | Polifarb Cieszyn (paints) | (1.94bn zlotys) | $98m |
| 6. | Bank Rozwoju Exportu (bank) | (1.88bn zlotys) | $95m |
| 7. | Okocim (brewery) | (1.82bn zlotys) | $92m |
| 8. | Zywiec (brewery) | (1.80bn zlotys) | $91m |
| 9. | Mostostal Exp (construction) | (1.28bn zlotys) | $65m |
| 10. | Vistula | (1.04bn zlotys) | $52m |

* On September 30, 1993 (exchange rate on the day US$=19,735 zlotys)

... ket capitalisation is Wedel, the chocolatemaker now controlled by Pepsico as part of its ambitious foray, in competition with Coca Cola, into the biggest market of the region. Poland has 39m people compared to just over 10m each in Hungary and the Czech republic, 5m in Slovakia and under 2m in Slovenia whose own fledgling stock exchange is tipped to come alive in 1994 as the well-run economy picks up.

Wedel, capitalised at $304m as of end-September, is followed on the Warsaw stock exchange, housed in the former offices of the Communist party central committee building, by Elektrim, the former state power and telecommunications equipment trading company at $214m. Fast expanding Elektrim is among several quoted companies planning to tap the market this year by raising fresh equity, in Elektrim's case by partially floating off several of its subsidiary companies.

Mass privatisation should take off in Poland this year as the new left of centre government carries on the previous government's plan to privatise up to 500 state-controlled enterprises and create 20-30 so-called "National Investment Funds" with foreign and Polish managers to perform the vital functions of modernising, slimming down, restructuring and eventually re-financing their companies.

This process is expected to greatly expand the stock exchange listings over the rest of this decade. The new government is so keen to raise revenue by successful privatisation that it appears unlikely to impose new taxes on capital gains or tax share transactions as demanded by some of its more orthodox left-wing supporters.

The recent successful stock market debut of the first two privatised banks, the Wielkopolski and Slaski banks, has already expanded the number of shareholders in Poland to more than 200,000, and last year's boom has whetted the appetite of many more potential investors in a country where real incomes, and savings, are rising after 4 per cent GDP growth last year.

■ **Leading banks by market capitalisation**

| Rank | Company | $m | Rank | Sector |
|---|---|---|---|---|
| 1 | HSBC Holdings | 27351.9 | 8 | 112 |
| 2 | Deutsche Bank | 22586.3 | 12 | 112 |
| 3 | Union Bank of Switzerland | 20321.2 | 15 | 112 |
| 4 | National Westminster Bank | 12787.6 | 30 | 112 |
| 5 | Barclays | 12749.7 | 31 | 112 |
| 6 | CS Holding | 11873.9 | 36 | 112 |
| 7 | Swiss Bank Corporation | 11782.0 | 38 | 112 |
| 8 | Lloyds Bank | 11283.5 | 44 | 112 |
| 9 | Internationale Nederlanden Group | 10591.0 | 49 | 121 |
| 10 | Dresdner Bank | 10565.8 | 50 | 112 |
| 11 | ABN Amro Holding | 9706.7 | 57 | 112 |
| 12 | Suez (Compagnie Financiere de) | 9099.4 | 62 | 112 |
| 13 | Societe Generale | 8984.2 | 64 | 112 |
| 14 | Abbey National | 8218.6 | 69 | 112 |
| 15 | Paribas | 7790.5 | 73 | 112 |
| 16 | Banco Bilbao Vizcaya | 6060.3 | 92 | 112 |
| 17 | Bayerische Vereinsbank | 6041.7 | 94 | 112 |
| 18 | Bayerische Hypo. & Wechsel Bk | 5888.1 | 97 | 112 |
| 19 | Banco de Santander | 5721.9 | 101 | 112 |
| 20 | Commerzbank | 5500.4 | 105 | 112 |
| 21 | Argentaria | 5248.8 | 107 | 112 |
| 22 | TSB Group | 5089.1 | 112 | 112 |
| 23 | Banco Central Hispanoamericano | 5038.5 | 113 | 112 |
| 24 | Bank Austria | 4689.9 | 124 | 112 |
| 25 | Royal Bank of Scotland Group | 3960.3 | 144 | 112 |
| 26 | Generale de Banque | 3513.7 | 158 | 112 |
| 27 | Banco Popular Espanol | 3497.7 | 160 | 112 |
| 28 | Standard Chartered | 3428.4 | 165 | 112 |
| 29 | Mediobanca | 3361.4 | 168 | 121 |
| 30 | Banco Exterior | 3321.2 | 171 | 112 |
| 31 | Banesto Group | 3139.8 | 184 | 112 |
| 32 | Kredietbank | 3098.6 | 185 | 112 |
| 33 | Den Danske Bank | 3068.2 | 186 | 112 |
| 34 | Bank of Scotland | 2955.6 | 192 | 112 |
| 35 | Skandinaviska Enskilda Banken | 2884.3 | 199 | 112 |
| 36 | Creditanstalt-Bankverein | 2790.7 | 206 | 112 |
| 37 | Credit Local de France | 2743.5 | 209 | 122 |
| 38 | Cetelem | 2696.2 | 210 | 112 |
| 39 | Credit Comm de France | 2635.0 | 215 | 112 |
| 40 | Allied Irish Banks | 2627.9 | 217 | 112 |
| 41 | Banca Commerciale Italiana | 2604.7 | 219 | 112 |
| 42 | Warburg S.G. Group | 2600.3 | 220 | 121 |
| 43 | Svenska Handelsbanken | 2558.7 | 223 | 112 |
| 44 | Schroders | 2451.4 | 228 | 121 |
| 45 | Berliner Bank | 2258.3 | 248 | 112 |
| 46 | Credito Italiano | 2184.3 | 256 | 112 |
| 47 | BHF Bank | 2099.8 | 263 | 112 |
| 48 | Credit Foncier de France | 2077.6 | 265 | 121 |
| 49 | Bancaire (Compagnie) | 2076.4 | 266 | 121 |
| 50 | Banque Bruxelles Lambert | 2053.3 | 267 | 112 |
| 51 | Mercury Asset Management | 1828.2 | 286 | 122 |
| 52 | Bank of Ireland | 1809.2 | 299 | 112 |
| 53 | IFINT | 1796.3 | 304 | 121 |
| 54 | Lou Holding | 1534.4 | 354 | 112 |

Mergers help give a lift to the Dutch

Andrew Hill and Ronald van de Krol report

INSURANCE

# Revived fortunes lure investors

**European insurance company shares rose by 57 per cent in the 12 months to November 1993, outperforming the FT Actuaries Europe index by 13.2 per cent. Richard Lapper looks at the sector**

Attracted by the prospect of improved trading prospects and sharp increases in the value of insurers' investment portfolios, the markets favoured the European insurance sector last year, leading to increases in the capitalisation of the continent's largest companies. Nine of the leading 10 companies edged their way up the FT500 rankings.

During 1992, profits at a number of Europe's biggest general insurance companies were dented by rising claims in motor and property insurance and a fall in capital gains. Last year, though, insurers pushed through rate increases, and investors responded positively to indications of an upturn in the traditional insurance cycle.

The markets were also lured towards the sector by trends in the equity and bond markets. Insurance companies, especially in Germany, Switzerland, France and Italy, benefited from the trend towards lower interest rates which increased the value of their bond portfolios.

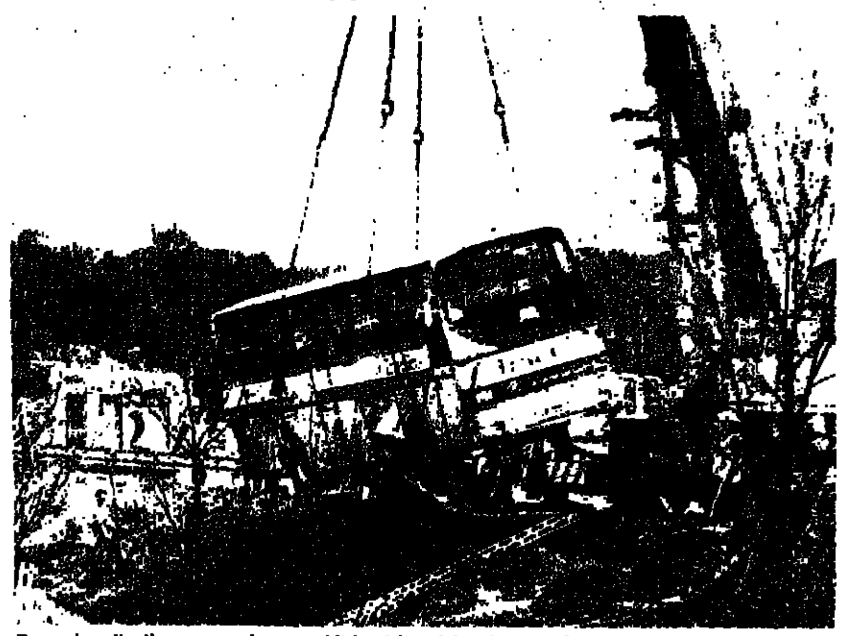
Figures produced by Barclays de Zoete Wedd, the UK securities house, show that European insurance company shares rose by 57 per cent in the 12 months to November 1993, outperforming the FT Actuaries Europe index by 13.2 per cent.

Reflecting the particularly strong performance of the German markets during the year, Germany's largest insurers all did well. Allianz Holdings, Europe's biggest insurer, increased its standing from 7th to 4th. Munich Re, the biggest reinsurer, moved up 10 places to 27. AMB Aachener & Muenchener – the German insurer whose share price almost doubled in 1993 – improved its ranking from 201 to 154, while Allianz Lebensversicherungs, listed separately from its Munich-based parent, also moved up the table by 24 places to 96.

Italy's biggest companies also figure prominently in the listings, again reflecting a combination of a strong performance of the local stock market and expectation of future profits following premium increases. Generali, the Trieste-based company – and Europe's second largest – improved its ranking from 23 to 20, while its Alleanza life insurance subsidiary, move up 43 places to 90. Alleanza's position was also strengthened by a mid-year capital raising exercise. Fondiaria, the Florence-based company which left the 500 last year following a poor performance of its share price, re-entered at number 270 (with a capitalisation of $2,022.8m) while SAI and RAS both improved their standings from number 282 to 163 and from 417 to 309.

Scandinavian companies saw the value of their shares plummet during 1992, largely as a result of confusion surrounding efforts by Uni Storebrand and Hafnia to take over Skandia, the region's biggest insurer. Following the failure of those efforts and a marked improvement in local trading conditions, Skandia's share price has recovered. It is now the 372nd largest European company with a capitalisation of $1,438m.

Trygg-Hansa SPP Holding of Sweden, and Baltica of Denmark, two other leading Scandinavian insurers caught amid the market turmoil in 1992, have also re-entered the 500, Trygg standing at 381 with capitalisation of $1,409.7m and Baltica with capitalisation of $909.9, standing at 477.


Damaging situation: companies were hit by rising claims in motor insurance

France's two largest companies also show up well, with part of the improvement here reflecting the impact of the biggest cross-border deals in the sector during the year, in which both Assurances Générales de France (AGF) and Union des Assurances de Paris (UAP) strengthened their position in the German market. During 1993, AGF issued more than 10m new shares as part of an exercise to raise capital to increase its stake in AMB from 25.1 per cent to 33.5 per cent. The issues will increase capitalisation by about Fr6.4bn.

UAP also raised about Fr1.3bn in fresh capital as part of its moves to secure control of Colonia, Germany's second biggest insurance company, from the Suez Group.

*(The listings only partially reflect the* impact of these moves, since only part of the AGF capital increase and all the UAP increase are included in the September 30 capitalisation figures on which the tables are based. UAP moved up from 69 to 58, while AGF rose from 110 to 80).

British insurance companies sustained record losses during 1990 and 1991, when they were hit by a combination of weather losses and recession. During 1992 there was a recovery in their fortunes, with rate increases helping two companies – Commercial Union and Guardian Royal Exchange – into profit, and reducing losses at Sun Alliance, Royal Insurance and General Accident.

The recovery continued in 1993, when each of the five companies was expected to be back in the black. Two companies – Royal Insurance and Commercial Union – repaired their balance sheets with rights issues.

Royal raised £404m in a deeply discounted rights issue in May, while CU raised £428m in February. Both companies' capitalisation increased, with Royal Insurance moving up the rankings from 303 to 189.

*Other leading insurers to edge* upwards include Swiss Re (up six places to 102), which, like its rival reinsurer Munich Re, has benefited from particularly attractive trading conditions in international reinsurance markets.

A string of catastrophe losses, including hurricane Andrew, the United States' most expensive natural disaster in August 1992, has depleted the reserves of the reinsurance industry, leading to increases in rates of up to 400 per cent.

**Insurance companies by market capitalisation**

| | Company | $m | FT500 Rank | Sector |
|---|---|---|---|---|
| 1 | Allianz Holding | 30867.4 | 4 | 151 |
| 2 | Generali (Assicurazioni) | 18347.3 | 20 | 151 |
| 3 | Muenchener Ruckversicherungs | 13975.6 | 27 | 151 |
| 4 | Prudential Corporation | 9827.0 | 56 | 141 |
| 5 | U.A.P. | 9585.5 | 58 | 151 |
| 6 | Zurich Insurance | 7972.5 | 70 | 151 |
| 7 | AGF | 7189.2 | 80 | 151 |
| 8 | Alleanza | 6090.2 | 90 | 151 |
| 9 | Allianz Lebensversicherungs | 5894.8 | 96 | 151 |
| 10 | Swiss Reinsurance Group | 5719.8 | 102 | 151 |
| 11 | Fortis | 5026.3 | 116 | 151 |
| 12 | Commercial Union | 5023.2 | 117 | 151 |
| 13 | General Accident | 4818.7 | 119 | 151 |
| 14 | Aegon | 4780.7 | 120 | 151 |
| 15 | Sun Alliance Group | 4733.2 | 123 | 151 |
| 16 | Lloyds Abbey Life | 4638.4 | 125 | 141 |
| 17 | GAN | 4033.4 | 141 | 151 |
| 18 | Winterthur Versicherung | 4003.2 | 142 | 151 |
| 19 | AMB Aachener & Muenchener Beteil | 3712.8 | 154 | 151 |
| 20 | Legal & General Group | 3614.9 | 156 | 141 |
| 21 | RAS | 3442.5 | 163 | 151 |
| 22 | Royal Insurance Holdings | 3017.5 | 189 | 151 |
| 23 | Guardian Royal Exchange | 2818.0 | 202 | 151 |
| 24 | Victoria Holding | 2664.5 | 212 | 151 |
| 25 | Fondiaria | 2022.8 | 270 | 151 |
| 26 | Royale Belge | 2000.4 | 277 | 151 |
| 27 | SAI | 1752.6 | 309 | 151 |
| 28 | Baloise Holding | 1582.6 | 343 | 151 |
| 29 | Wuerttembergische AG Versich | 1538.3 | 353 | 151 |
| 30 | Volksfuersorge | 1505.8 | 357 | 151 |
| 31 | Toro (Assicurazioni) | 1491.6 | 359 | 151 |
| 32 | Skandia Forsakring | 1438.1 | 372 | 152 |
| 33 | Trygg-Hansa SPP Holding | 1409.7 | 381 | 151 |
| 34 | Britannic Assurance | 1380.0 | 390 | 141 |
| 35 | Mapfre (Corp) | 1139.6 | 438 | 151 |
| 36 | DBV | 1104.3 | 443 | 151 |
| 37 | Nuernberger Beteiligung | 1074.5 | 453 | 151 |
| 38 | Baltica Forsikring | 999.9 | 477 | 151 |
| 39 | Codan Group | 978.7 | 485 | 151 |
| 40 | Assitalia | 932.1 | 499 | 151 |





its important ulcer treatment Tagamet also undermined support for the shares.

Wellcome dropped from 29 to 59 after disappointing underlying growth from its top-selling anti-viral product Zovirax. Preliminary results from an Anglo-French trial which suggested AZT, its treatment for Aids and HIV, might not be effective in HIV-positive people without symptoms, hit both the shares and sales.

The once high-flying Fisons dropped from 215 to 311 during a traumatic year which culminated in the sacking of the chief executive, resignation of the finance director, and second profits warning in two years. The group registered the FT500's fifth-worst fall last year. Meanwhile, Zeneca, ICI's former bioscience business, entered the FT500 at 52.

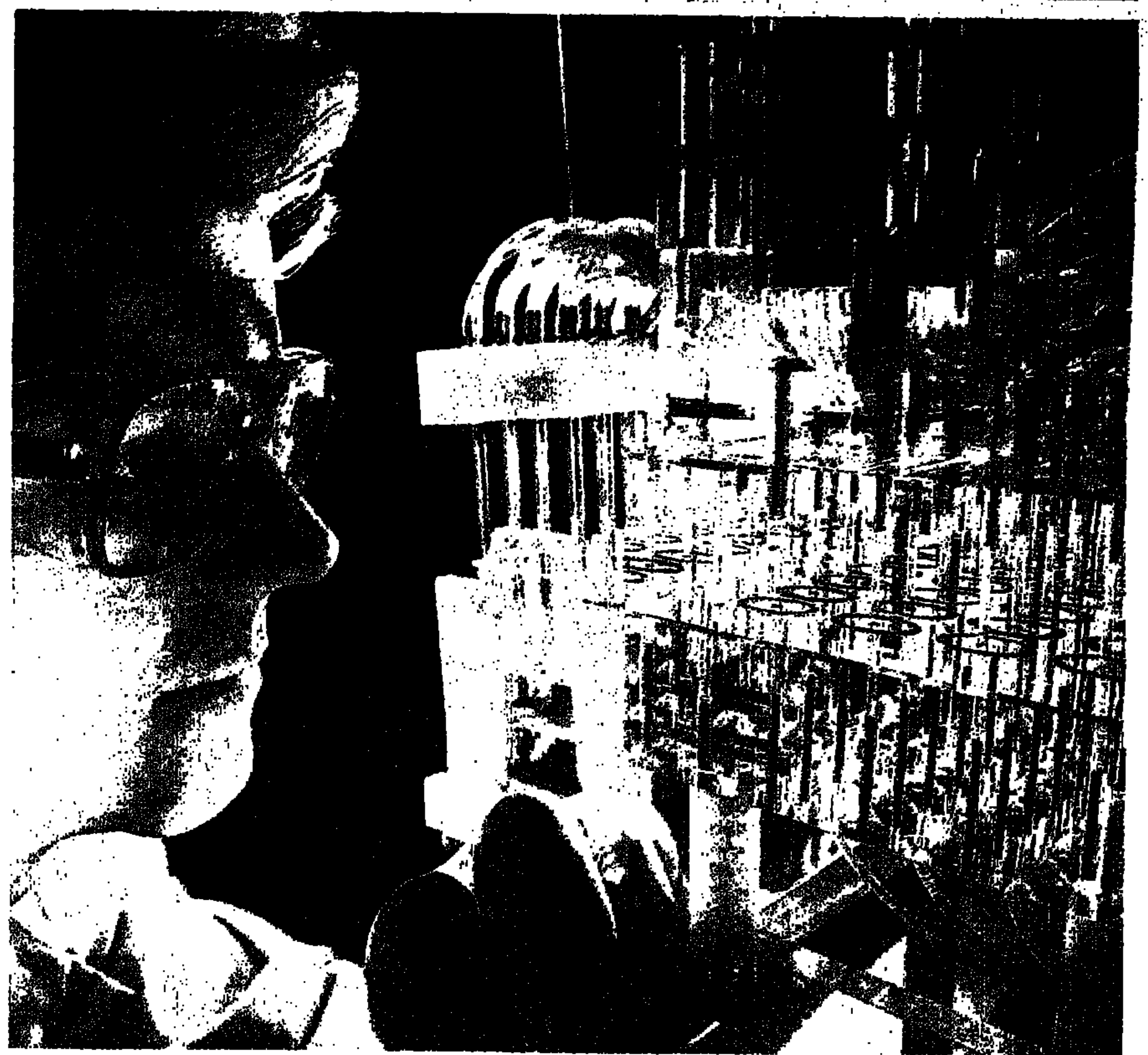
In 1992, the chemicals industry performed better than the drugs sector as investors switched into cyclical stocks. But last year, the recession in Germany and France undermined their standings.

The German groups suffered particularly. Hoechst fell from 45 to 55 as its profits plunged during the first nine months by 40 per cent and its chairman hinted of another dividend cut.

BASF also dropped from 56 to 63, as its pre-tax earnings during the first nine months fell 44 per cent and it also warned of another dividend cut. DSM, the Dutch petrochemicals group, was one of the FT500's biggest fallers, down from 218 to 395, reflecting the dire state of Europe's plastics industry.

ICI fell from 28 to 71, but the apparent collapse was due more to the company's split into two separate groups than any particular problems at the British chemical concern. Rhône-Poulenc of France entered the FT500 at 79 after its privatisation by the French government last year. Laporte was one of the few climbers in the sector, up from 306 to 284 following its acquisition of Evode.

The industrial gases businesses which had proved a haven from the recession fared less well in 1993. L'Air Liquide fell from 52 to 72, BOC dropped from 80 to 128, and AGA slumped from 208 to 225.


Testing time for Glaxo: Europe's largest drugs company by sales slipped down the FT500 from second to seventh



هكذا من الأصل



■ PHARMACEUTICALS AND CHEMICALS

# Wonder stocks lose their allure

## Apart from Roche, the drugs sector had a poor year. The recession also undermined the standings of many chemical companies. **Paul Abrahams** reports

The wonder stocks of late 1980s and early 1990s, pharmaceuticals companies had a mixed year last year. While a few, such as Roche of Switzerland and Schering of Germany, did more than creditably, others gave their investor relations officers some considerable problems explaining their performance.

Overall, the drugs sector endured a poor year. Of Europe's top 10 pure pharmaceuticals stocks, six saw their position in the FT500 fall and two were stationary, while only two – Roche and Schering – moved up the rankings.

The reasons for such a disappointing performance were not hard to find. Healthcare reform implemented in Germany and Italy knocked sales back. IMS International, the market research group, estimated European pharmacy drugs sales in the seven largest markets were static during the first nine months last year. That compared with 8 per cent growth during the whole of 1992. The German market during the first nine months was down 10 per cent and Italian sales down 3 per cent.

At the same time, pharmaceuticals stocks suffered from fears about President Clinton's healthcare reforms. These were delayed from the spring to the autumn, adding uncertainty. Investors remained wary of the sector's shares as analysts attempted to estimate the impact of the plan on drugs groups' profits.

The outstanding exception to the rule was Roche whose market capitalisation overtook not only Glaxo, Europe's largest drugs company by sales, but also Merck & Co of the US, the world's largest pharmaceuticals company. The Swiss group marched up the FT500 from sixth position in 1992 to third last year.

Roche's outstanding year was partly because it was relatively immune to the US healthcare reform. Although about 40 per cent of its drugs division's sales are in the US, about half of these are to hospitals which are not affected by President Clinton's proposals. In addition, the group has a strong portfolio of new drugs driving impressive volume growth.

US brokers Lehman Brothers expect Roche to generate volume growth of 13 per cent until late 1995, an impressive achievement in such a difficult healthcare environment. They forecast Roche's pre-tax profits to increase from SFr2.6bn in 1992 to SFr3bn last year and SFr3.6bn this year.

Schering's performance last year has also been impressive, its position rising from 155 to 137. The company has sold its chemical operations and merged its troubled agrochemicals business with that of Hoechst, enabling it to become a pure pharmaceuticals company. At the same time, it revealed Betaseron, the first effective treatment for multiple sclerosis. Goldman Sachs expects compound earnings growth this year and next to be an impressive 30 per cent.

Institut Mérieux, the French group, moved up from 253 to 216 as its vaccines operations continued to perform well.

The rest of the sector disappointed, unable to escape investors' fears about the market and their decision to switch into cyclical stocks capable of benefiting from an economic recovery.

Glaxo's market capitalisation suffered considerably over the past 12 months, and its ranking fell from second to seventh. Astra, the Swedish group and Glaxo's main rival, remained static at 32nd. Locally its shares did well, but in dollar terms it was held back by the devaluation of the Swedish krona.

Sandoz of Switzerland slipped from 20 to 21, while its neighbour Ciba dropped from 24 to 26. Bayer of Germany was static at 34th.

Among the British stocks, SmithKline Beecham fell from 11 to 23 as it was hit hard by the Italian reforms. Fears about the expiry this year of the US patents for

Continued on next page

■ Pharmaceuticals and chemicals companies by market capitalisation

| | Company | $m | FT500 Rank | Sector |
|---|---|---|---|---|
| 1 | Roche Holding | 35683.8 | 3 | 622 |
| 2 | Glaxo Holdings | 29175.6 | 7 | 433 |
| 3 | Sandoz | 16740.3 | 21 | 433 |
| 4 | Smithkline Beecham | 15609.6 | 23 | 433 |
| 5 | Ciba | 14154.9 | 26 | 622 |
| 6 | Astra | 12595.0 | 32 | 433 |
| 7 | Bayer | 12333.6 | 34 | 622 |
| 8 | L'Oreal | 11558.0 | 42 | 432 |
| 9 | Zeneca | 10363.9 | 52 | 433 |
| 10 | Hoechst | 9971.0 | 55 | 622 |
| 11 | Wellcome | 9185.0 | 59 | 433 |
| 12 | BASF | 9064.6 | 63 | 622 |
| 13 | Imperial Chemical Industries | 7871.3 | 71 | 622 |
| 14 | L'Air Liquide | 7865.3 | 72 | 621 |
| 15 | Rhone-Poulenc | 7279.7 | 79 | 622 |
| 16 | Procordia | 6797.5 | 82 | 433 |
| 17 | Viag | 4890.1 | 118 | 622 |
| 18 | BOC Group | 4548.3 | 128 | 622 |
| 19 | Akzo | 4329.7 | 133 | 622 |
| 20 | Schering | 4164.9 | 137 | 622 |
| 21 | Elf Sanofi | 3808.8 | 152 | 433 |
| 22 | Reckitt & Colman | 3551.5 | 157 | 431 |
| 23 | Rentokil Group | 3161.5 | 181 | 622 |
| 24 | Courtaulds | 3159.3 | 182 | 621 |
| 25 | Solvay | 2910.1 | 197 | 622 |
| 26 | Novo Nordisk | 2806.6 | 203 | 433 |
| 27 | Institut Merieux | 2630.4 | 216 | 433 |
| 28 | AGA | 2518.1 | 225 | 621 |
| 29 | Roussel-Uclaf | 2397.4 | 234 | 622 |
| 30 | Smith & Nephew | 2285.7 | 245 | 431 |
| 31 | Synthelabo | 2112.7 | 262 | 433 |
| 32 | Beiersdorf | 1931.0 | 281 | 432 |
| 33 | Laporte | 1895.5 | 284 | 622 |
| 34 | Degussa | 1874.7 | 289 | 622 |
| 35 | Christian Dior | 1803.3 | 302 | 432 |
| 36 | Fisons | 1749.9 | 311 | 433 |
| 37 | Cookson Group | 1656.5 | 326 | 621 |
| 38 | DSM | 1352.5 | 395 | 622 |
| 39 | Gambro | 1250.4 | 415 | 433 |
| 40 | Gehe | 1238.7 | 417 | 433 |
| 41 | Ems-Chemie | 1218.2 | 420 | 622 |
| 42 | Altana | 1169.9 | 434 | 433 |
| 43 | Nobel Industries | 1056.2 | 463 | 622 |
| 44 | Montedison | 1033.8 | 468 | 622 |
| 45 | Allied Colloids Group | 977.6 | 484 | 622 |

■ PROPERTY

# Wall of money seeks bricks and mortar

## The stock market values of companies in the UK have rebounded strongly. **John Thornhill** considers whether this turnaround will lead to a recovery in Europe

Even a cursory glance at the property companies in the FT500 list is enough to highlight the two most significant trends in the European market this year.

The UK property sector has experienced a striking reversal of fortune. The stock market values of UK property companies have rebounded strongly, lifting Land Securities and MEPC far higher in the rankings and pushing four UK companies back into the list.

By contrast, many segments of the property markets in mainland Europe have remained mired in recession with the one Dutch and two French companies included in the FT500 slipping further down the list.

With hindsight, the turning point for UK property came when the pound fell out of the exchange rate mechanism in September 1992, enabling the government to cut interest rates. The surge in equities and the subsequent drop in long-dated gilts yields highlighted the comparatively attractive returns from property. The double-digit yields then available on prime property stimulated interest among institutional and overseas buyers. A wall of money, estimated at up to £10bn, began searching for a home in bricks and mortar.

This wave of investment has resulted in a sharp decline in property yields. But, as usual, the stock market was quick to anticipate the trend. Property is inherently a lumpy, illiquid class of asset and shares are more readily tradeable. Since the pound's departure from the ERM, the quoted property sector has almost tripled in value to £15bn.

Property companies have been quick to take advantage of this flush of enthusiasm. Many companies with heavy debts and stretched balance sheets eagerly sought the chance to tap the stock market for fresh funds.

The biggest UK property companies raised some £1.4bn of equity finance, helping to expand the sector's market capitalisation and secure the company's dividend base.

Britain's largest property company, Land Securities, has jumped 28 places up the FT500 rankings to 108. MEPC, which struggled during recession because of its exposure to the London office market, registered one of the largest rises in the list, climbing from 299 to 193.

Four other UK property companies, which were among Europe's biggest 500 companies before recession struck, have returned to the rankings. British Land excited considerable interest in the sector by linking up with Mr George Soros, the hedge fund manager. Slough Estates, which concentrates mainly on industrial property, has seen activity pick up quicker than in previous recoveries. And Hammerson Property and Great Portland Estates are expected to show a marked improvement in asset values given their weightings in the commercial office sector.

But although the investment and equity markets have rocketed, the underlying health of the property market has remained fragile. The worry for UK property companies is that the striking turnaround in sentiment has not yet been matched by a commensurate improvement in the fundamentals of the underlying property market.

Many sectors of the market are still suffering the effects of the huge surplus of space that came on stream in the 1980s. Rents for many types of properties are continuing to fall and the worst-hit sectors, such as office property in the west end of London, have experienced a 60 per cent fall in rental levels since their peak in 1990.

Office rents in many parts of the UK will remain under pressure as service companies shed staff to improve productivity levels. Employment levels in other parts of the economy may only pick up slowly.

In mainland Europe, the effects of recession are still evident in many areas of the property market although it is difficult to generalise about various patterns in different sectors and regions. The Paris office market has fallen away sharply with overcapacity increasing and rental levels recording steep declines.

But the two French companies in the FT500 rankings have remained largely immune from these problems given their exposure to the residential market. Both Sefimeg and Simco have provided a relatively safe haven for investors in the French property sector and have experienced only marginal falls in the rankings. That stability, though, may count against them in investors' eyes in the upturn when those companies more highly geared to recovery experience a faster rebound in earnings and asset values.

A similar story may hold true for Rodamco, the Dutch property company, which has slipped only slightly in the rankings from 130 to 135. Its diversified international portfolio has given it protection in the downturn in mainland Europe. Earlier this month, Rodamco forecast unchanged net profits and dividends for the year and substantially lower write-downs on property, largely as a result of a positive contribution from its UK investments.

Those investors brave enough to invest in the UK in the trough of recession have already seen substantial returns. If all the investment funds seeking a home in the UK cannot be absorbed, the braver souls may see attractions in picking up assets in the most cyclically depressed markets of mainland Europe.

■ *Property companies by market capitalisation*

| | Company | $m | FT500 Rank | Sector |
|---|---|---|---|---|
| 1 | Land Securities | 5246.7 | 108 | 161 |
| 2 | Rodamco | 4213.0 | 135 | 161 |
| 3 | MEPC | 2937.3 | 193 | 161 |
| 4 | British Land | 1739.1 | 313 | 161 |
| 5 | Slough Estates | 1478.2 | 362 | 161 |
| 6 | Simco | 1396.4 | 386 | 161 |
| 7 | Sefimeg | 1391.3 | 388 | 161 |
| 8 | Hammerson Property | 1360.1 | 394 | 161 |
| 9 | Great Portland Estates | 1000.4 | 475 | 161 |



■ CONSTRUCTION

# The build-up to recovery begins

## Companies have had a poor year. But there are signs of improvement, says **Andrew Taylor**

It has been a horrid year for most European construction companies. Profits have tumbled. Domestic building and civil engineering markets have shrunk and large numbers of construction workers have been laid off as companies have closed or reduced capacity.

The only consolation has been found in stock markets where share prices, particularly of British contractors and building material suppliers, have risen sharply, indicating that investors believe that bottom may be approaching and that, at least in the UK, recovery may be round the corner.

The reason for this resurgence in shareholder optimism has been the continuing low levels of European and US interest rates.

This is perceived to have two beneficial effects. The first and most important of these is to reduce the cost of borrowing to finance new construction of factories, homes and offices. Secondly, lower interest rates encourage greater investment in equities, including construction shares, by reducing returns available on cash deposits.

A slow recovery in US construction markets, together with the indications that a similar thaw may at last be getting under way in the UK, has further assisted investment sentiment in companies with exposure to these markets.

As a result, the rankings of the 29 construction and building material companies included in the latest FT European 500 generally enjoyed a modest improvement in 1993, in spite of publishing some very poor profits figures.

Of the 17 companies to increase their rating – including three new entries – nine were British and a tenth, CRH, was Irish.

The improvement in the ranking of continental European companies Lafarge Coppée and Holderbank, the French and Swiss cement companies, has more to do with their large US interests than any strength in continental markets which generally struggled in 1993.

Lafarge Coppée, the second largest construction company by market capitalisation in the FT European 500, rose from 153rd to 131st in the overall table. Holderbank rose from 241st to 183rd.

Saint Gobain, the French glass maker with the largest market capitalisation in the sector, saw its overall rating fall 20 places to 81st position.

The company suffered because of its exposure to the declining French construction market which has been hit harder than most as the recession has moved to the European mainland.

EuroConstruct, representing construction research agencies and economic forecasting bodies in 15 European countries, estimates that the volume of construction output, measured in constant prices, fell by about 3 per cent in western Europe last year.

It forecasts a further fall of 0.3 per cent this year with further declines in output expected in Belgium, France, Italy, the Netherlands, Sweden and Finland.

UK construction output, by contrast, is forecast to rise by just 0.9 per cent, having fallen by 14 per cent in the previous three years.

Growth rates in Germany have slowed considerably with continuing strong demand for more and better housing in eastern Germany offset by reduced investment in the west as the national economy has come under increased pressure.Output is forecast by EuroConstruct to rise by just 1.5 per cent in 1994.

No German construction company improved its FT 500 rating last year, with four out of the five companies reducing their ranking. Hochtief, the best performer, only just maintained its place in 150th position.

Three new construction-related companies joined the 500. These were Lapeyre, the French joinery group, which was floated last year; Dragados, the Spanish contractor and Wimpey of the UK.

The British contractor crept into 494th position in spite of announcing a $171.4m loss for 1992, the worst result in its 100-year history.

Wimpey has since moved back into the black, making a pre-tax profit of $1.6m in the first half of last year. Net debt as a proportion of shareholders' funds fell to 36 per cent at the end of June following the group's $155m rights issue.

UK housebuilders raised $701m from rights issues last year, including $321m from Tarmac. The money was needed to repair balance sheets and provide cash to buy land to take advantage of the fragile UK housing recovery which got under way last year.

British building material companies such as Redland, Blue Circle, RMC, BPB Industries and Pilkington have also benefited from a resurgence in British building material prices as markets for their products have improved and manufacturing capacity of cement, bricks and structural steel has reduced in the recession.

However, some British stock market analysts believe that the rise in share prices of UK construction and building materials companies may be coming to an end since the modest rate of recovery predicted for the industry does not justify the rating that some of these companies are now on.

■ Annual pre-tax profits published last year for the 29 contractors and building material companies in the FT500 fell by 27.7 per cent to $3.13bn with British companies among the worst affected, reflecting the depth of the property recession during 1992. The 29 accounted for 1.96 per cent of the total published profits of FT500 companies compared with 2.47 per cent the previous year.

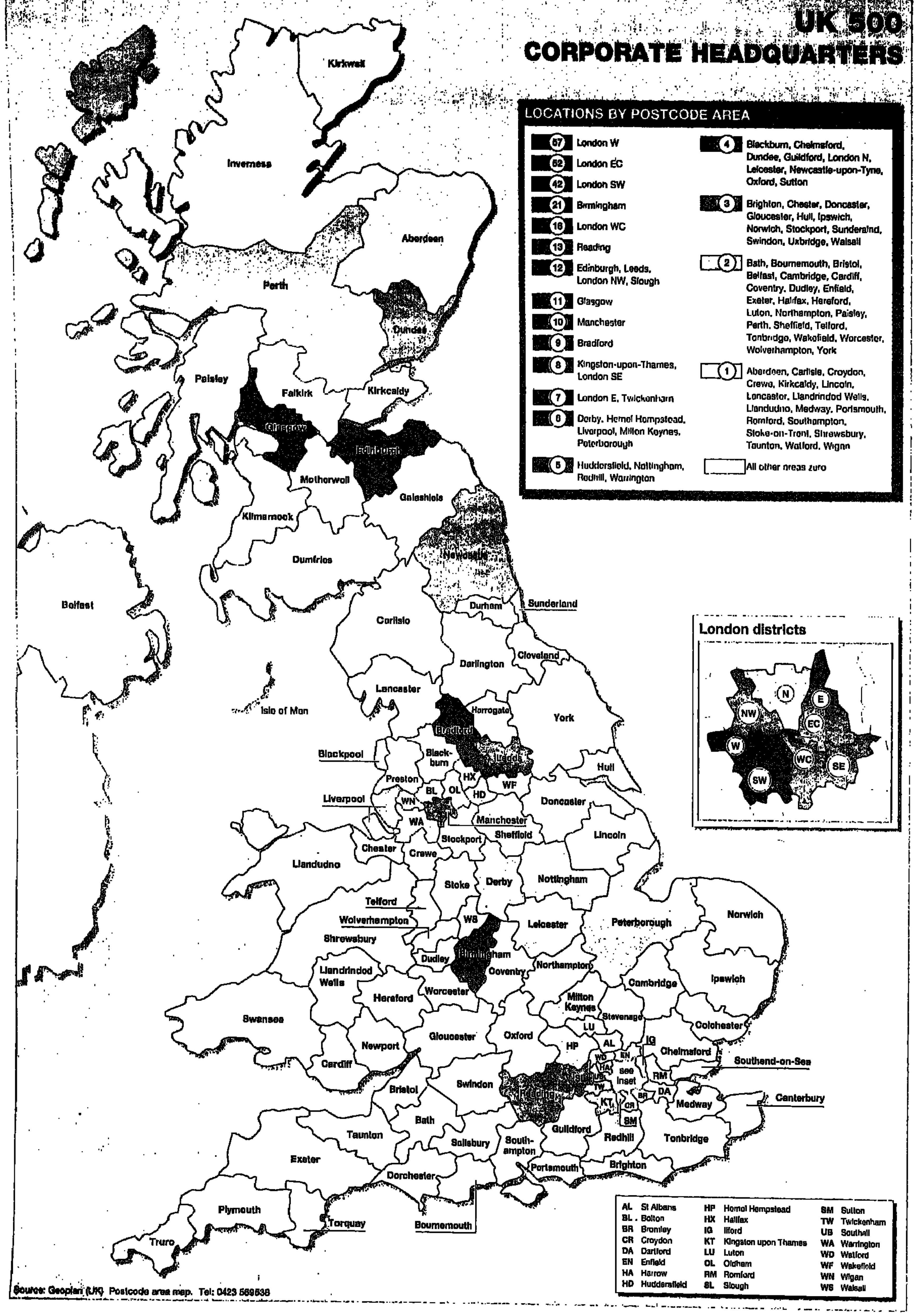
*EuroConstruct Forecasts: £390, Princes House, 39 Kingsway, London WC2 B6TP.*

■ Leading building and construction companies by market capitalisation

| | Company | $m | Rank | Sector |
|---|---|---|---|---|
| 1 | Saint-Gobain | 7027.5 | 81 | 611 |
| 2 | Lafarge Coppée | 4370.3 | 131 | 611 |
| 3 | Redland | 4339.8 | 132 | 611 |
| 4 | Hochtief | 3869.4 | 150 | 613 |
| 5 | Holderbank Management | 3143.6 | 183 | 611 |
| 6 | Blue Circle Industries | 2970.4 | 190 | 611 |
| 7 | Wolseley | 2638.6 | 214 | 611 |
| 8 | RMC Group | 2378.9 | 237 | 611 |
| 9 | Bouygues | 2361.6 | 239 | 613 |
| 10 | Skanska | 2231.6 | 252 | 613 |
| 11 | BPB Industries | 2040.9 | 268 | 611 |
| 12 | Tarmac | 2015.0 | 272 | 613 |
| 13 | Heidelberger Zement | 1984.7 | 276 | 611 |
| 14 | Pilkington | 1776.5 | 308 | 611 |
| 15 | Holzmann (Philipp) | 1751.0 | 310 | 613 |

THE FT500

# UK 500 CORPORATE HEADQUARTERS




LOCATIONS BY POSTCODE AREA

| | |
|---|---|
| 57 | London W |
| 52 | London EC |
| 42 | London SW |
| 21 | Birmingham |
| 16 | London WC |
| 13 | Reading |
| 12 | Edinburgh, Leeds, London NW, Slough |
| 11 | Glasgow |
| 10 | Manchester |
| 9 | Bradford |
| 8 | Kingston-upon-Thames, London SE |
| 7 | London E, Twickenham |
| 6 | Derby, Hemel Hempstead, Liverpool, Milton Keynes, Peterborough |
| 5 | Huddersfield, Nottingham, Redhill, Warrington |
| 4 | Blackburn, Chelmsford, Dundee, Guildford, London N, Leicester, Newcastle-upon-Tyne, Oxford, Sutton |
| 3 | Brighton, Chester, Doncaster, Gloucester, Hull, Ipswich, Norwich, Stockport, Sunderaind, Swindon, Uxbridge, Walsall |
| 2 | Bath, Bournemouth, Bristol, Belfast, Cambridge, Cardiff, Coventry, Dudley, Enfield, Exeter, Halifax, Hereford, Luton, Northampton, Paisley, Perth, Sheffield, Telford, Tonbridge, Wakefield, Worcester, Wolverhampton, York |
| 1 | Aberdeen, Carlisle, Croydon, Crewe, Kirkcaldy, Lincoln, Lancaster, Llandrindod Wells, Llandudno, Medway, Portsmouth, Romford, Southampton, Stoke-on-Trent, Shrewsbury, Taunton, Watford, Wigan |
| | All other areas zero |

| | | | | | |
|---|---|---|---|---|---|
| AL | St Albans | HP | Hemel Hempstead | SM | Sutton |
| BL | Bolton | HX | Halifax | TW | Twickenham |
| BR | Bromley | IG | Ilford | UB | Southall |
| CR | Croydon | KT | Kingston upon Thames | WA | Warrington |
| DA | Dartford | LU | Luton | WD | Watford |
| EN | Enfield | OL | Oldham | WF | Wakefield |
| HA | Harrow | RM | Romford | WN | Wigan |
| HD | Huddersfield | SL | Slough | WS | Walsall |

Source: Geoplan (UK) Postcode area map. Tel: 0423 569538